

2012 ANNUAL REPORT





CONTENTS



| Foreword 6 |
|---|
| Second Year in Brief 8 |
| What is GAFSP? 12 |
| Contributions to GAFSP |
| Governance |
| Public Sector Window 15 |
| Private Sector Window 16 |
| Overview of 2011-2012: The Public Sector Window 18 |
| Effective Aid for the Public Sector 19 |
| Outcome of the Second Call for Proposals (January 2012) 19 |
| Public Sector Window Projects: Focus and Target |
| Measuring Impact of GAFSP Projects |
| Overview of 2011-2012: The Private Sector Window 28 |
| A Catalytic Role to Support the Private Sector in Agriculture 29 |
| Outcome of the First Call for Proposals (July 2011) |
| Working with Partners 32 |
| Collaboration with CSOs 33 |
| Outreach Efforts |
| Learning by Doing 38 |
| Lessons from the First Call for Proposals: Public Sector Window 39 |
| Lessons from the First Call for Proposals: Private Sector Window 41 |
| Continuous Improvement Process 43 |
| Challenges and Focus for the Next Year |
| Project Description and Implementation Progress 48 |
| LIST OF FIGURES Figure 1: Status of Receipt of Donor Contributions for Both Windows Combined |
| Figure 2: Breakdown of Supervising Entity for GAFSP Awards (by managed amounts) 17 |

| Figure 3: Regional Breakdown of Requests for GAFSP Financing (Public Sector Window) in |
|--|
| millions US\$ 20 |
| Figure 4: Composition of GAFSP Investments by Thematic Areas 21 |
| Figure 5: Status of GAFSP Projects (as of June 30, 2012) |
| Figure 6: Regional Breakdown of Requests for Financing (Private Sector Window; by number of proposals) 31 |
| Figure 7: Sample GAFSP Map— Ethiopia |
| LIST OF TABLES |
| Table 1: Donor Contributions to Public and Private Sector Windows as of June 30, 2012 (in millions) 13 |
| Table 2: Cumulative GAFSP Awards (by Supervising Entity and Award Amount) |
| Table 3: GAFSP RecipientCountries |
| Table 4: Status on Effectiveness and Disbursements of GAFSP Funded Projects (as of May 31, 2012) 24 |
| LIST OF BOXES |
| Box 1: Select GAFSP Targets 25 |
| Box 2: Select Research Questions to be Tested During |
| Implementation |
| Products Offered by the GAFSP Private Sector Window |
| Box 4: Summary of the First Private Sector Window Transaction 31 |
| Box 5: Select Activities Carried Out by the Representative 34 |
| Box 6: Select Videos Featuring GAFSP |
| Box 7: Select Media Quotes About GAFSP |
| |

2012 annual report

Report Period: July 1, 2011 – June 30, 2012











Bangladesh Mongolia Burundi Nepal Cambodia Niger Ethiopia Rwanda Senegal The Gambia Haiti Sierra Leone Kyrgyz Republic Tajikistan Liberia Tanzania

Togo



Malawi









The Global Agriculture and Food Security Program (GAFSP)

is a transformational approach to aid that was launched by a group of innovative donors at the request of the G20 in April 2010. The challenges of improving food security for poor and vulnerable people remain just as important today as they did when GAFSP was founded. Since the launch, GAFSP has welcomed four new donors. Today, the GAFSP donors—Australia, the Bill & Melinda Gates Foundation, Canada, Ireland, the Netherlands, the Republic of Korea, Spain, the United Kingdom, and the United States—are working together with recipient countries, civil society organizations, and other stakeholders to invest in long-term solutions to develop the agricultural and rural sectors to reduce poverty and hunger. Millions of poor and vulnerable people around the world will directly benefit from the continued commitment and support of the GAFSP donors. GAFSP looks to engage new donors and stakeholders to advance this important initiative.



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ABBREVIATIONS AND ACRONYMS

| | \$A | Australian dollar | M4R | Mapping for Results | |
|--|--|---|---------------------|---|--|
| | ABCs | Agricultural Business Centers | M&E | Monitoring and evaluation | |
| | ADB | Asian Development Bank | MAFFS | Ministry of Agriculture, Forestry, and | |
| | AFA | Asian Farmers Association | | Food Security | |
| | AfDB | African Development Bank | MARNDR | Ministry of Agriculture, Natural Resources, and Rural Development | |
| | AFSI | L'Aquila Food Security Initiative | MAWRM | Ministry of Amelioration and Water | |
| | AGP | Agriculture Growth Program | IVIAVVICIVI | Resource Management | |
| | ASWAp | Agricultural Sector Wide Approach | MDG | Millennium Development Goals | |
| | CAADP | Comprehensive Africa Agriculture | NAIP | National Agriculture Investment Plan | |
| | C | Development Programme | NGO | Nongovernmental Organization | |
| | Can\$ | Canadian dollar | NSADP | National Sustainable Agriculture | |
| | CIDA | Canadian International Development Agency | | Development Plan | |
| | CRRC-SDP | Climate Resilience Rice Commercialization Sector Development Program | PADAT | Projet d'Appui au Développement de l'Agriculture au Togo (Project to Support | |
| | CSOs | Civil society organizations | DAFO | Agriculture Development in Togo) | |
| Annual Street Street Street | DFID | U.K. Department for International Development | PAFO PAMP | Pan-African Farmer's Organization | |
| | DIME | Development Impact Evaluation Initiative | FAIVIF | Public Employment for Sustainable Agriculture and Water Management Project | |
| NAME OF TAXABLE | € | Euro | PASA | Projet d'appui au secteur agricole (Project | |
| 6.7060 To 6.70 | EFAP | Emergency Food Assistance Project | 5.0. | to Support the Agricultural Sector) | |
| | ESRS | Environmental and Social Review Summary | PASA- Lou/Ma/Kaf | Food Security Support Project in the Louga, Matam, and Kaffrine | |
| | FAO | Food and Agriculture Organization | PFIs | Participating Financial Institutions | |
| A PROPERTY. | FFSs | Farmer Field Schools | PMERSA- | Water Mobilization to Increase Food | |
| | FNN | Farmer and Nature Net | MTZ | Security in the Maradi, Tahoua, and | |
| | FSA | Financial Service Associations | DTTA | Zinder Regions Project | |
| | FY | Fiscal year | PTTA | Technology Transfer to Small Farmers Project | |
| | GAFSP | Global Agriculture and Food Security Program | RESEPAG | Strengthening Agriculture Public Services Project | |
| | £ | Pound sterling | ROPPA | Réseau des Organisations paysannes et de producteurs de l'Afrique de l'Ouest | |
| "我们是我们 | ha | Hectare | | (Network of Peasant and Agricultural | |
| | IAPP | Integrated Agricultural Productivity Project | | Producers of West Africa) | |
| 4 2 22 | IDA | International Development Association | RRS | Region of Republican Subordination | |
| | IDB | Inter-American Development Bank | SAPEC | Smallholder Agricultural Productivity Enhancement and Commercialization Project | |
| 10000000000000000000000000000000000000 | IFAD | International Fund for Agricultural Development | SCP | Smallholder Commercialisation Programme | |
| | IFC | International Finance Corporation | SII | Summary of Investment Information | |
| | IPM | Integrated pest management | SMEs | Small and medium enterprises | |
| 10000000000000000000000000000000000000 | kg | Kilogram | SNNPR | Southern Nations, Nationalities, and | |
| | km | Kilometer | 0 | Peoples Region | |
| | LAC | Latin America and the Caribbean | TAC | Technical Advisory Committee | |
| | LAMP | Livestock and Agricultural Marketing Project | WFP | World Food Programme | |
| 被自动 | LWH | Rwanda Land Husbandry, Water Harvesting, and Hillside Irrigation Project | WUAs | Water User Associations | |
| | Water State of the | | NO PLANTS IN THE | | |
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foreword



The importance of food security and nutrition has become accepted and well publicized in recent times, but let us recall the human face of the problem.

When normal sources of food fail, or prices rise, the poorest will often choose to sell the few assets they have, including those that are used to earn income—the goat, the bicycle, the sewing machine—just so the family can eat. Poverty becomes permanent. Worst of all, not only is their future mortgaged, but so is that of their children—the children who can no longer be sent to school and the babies who become malnourished and stunted without possibility of recovery.

The causes of food insecurity are complex and vary from country to country and region to region. There is no "one-size-fits-all" solution. The Global Agriculture and Food Security Program (GAFSP), through its Public Sector Window, offers grants to countries on a competitive basis. Grant proposals must be owned by the country, and must be robust. To be eligible for assistance, each country must demonstrate its commitment to agricultural development, show that it is able to implement its proposed program and, above all, demonstrate its need.

Not all problems can be addressed through government and public programs. Agriculture is a private sector activity. The GAFSP Private Sector Window aims to make a difference by supporting effective and financially sustainable private sector companies and investment opportunities. Our aim is to increase agriculture productivity, improve access to finance for farmers, and introduce and promote market and financial innovations to the agriculture sector.

This twin track approach has several advantages—it allows more synergistic engagement with a country by separately working through the public and private sectors. It allows engagement where either sector is weak but opportunities still exist. Finally, it allows donors to engage in the manner and the areas that best match their operations and priorities.

Inside the report, you can read about some of the early progress and results that are being achieved by the existing investments. The report also details the promising investments that have yet to bear fruit.

Climate change, population growth and rising food prices are going to be the reality of the world for the foreseeable future. We need to be prepared, and GAFSP is a powerful tool to address these problems.

We need more commitments for both windows, from new and existing donors, both government and private. With a powerful change model, robust monitoring and impact evaluation methods and a focus on results, GAFSP has established a reputation as a responsive, transparent and effective donor investment.

By itself, GAFSP will not end food insecurity, but it will benefit millions by lifting them out of the food and poverty trap that currently grips them. Through economically and environmentally sustainable development, their lives, and those of their children, will be permanently enriched.

Bob Quiggin

Chair, GAFSP Steering Committee

iiid

Director, Food Security Policy, AusAID

second year in brief



The Global Agriculture and Food Security Program (GAFSP) was launched on April 22, 2010 after the 2009 G20 Summit requested that the World Bank establish a multilateral mechanism to address food security in low-income countries. The 2011 GAFSP Annual report covered key milestones that were achieved in the first 14 months of the program, including the establishment of an inclusive and transparent governance structure, and the awarding of US\$ 481 million to 12 countries in Africa, Asia, and the Caribbean—Bangladesh, Cambodia, Ethiopia, Haiti, Liberia, Mongolia, Nepal, Niger, Rwanda, Sierra Leone, Tajikistan and Togo—in support of prioritized investments identified by the countries to improve food security.

During its second year, GAFSP worked to raise awareness and to develop and expand its portfolio while incorporating lessons learned from the previous period. The program was featured at major global events such as the Busan High Level Forum on Aid Effectiveness and other food security gatherings. Increased awareness helped to raise pledges from US\$ 971.5 million to US\$ 1.25 billion. Two new donors—the Netherlands and the United Kingdom—joined Australia, the Bill & Melinda Gates Foundation, Canada, Ireland, the Republic of Korea, Spain, and the United States in the fight against hunger and poverty.

\$1.25 billion pledged

GAFSP continued and strengthened its partnerships with CSOs such as farmer organizations, Nongovernmental Organizations (NGOs), research organizations, and other stakeholders to effectively achieve its goals. CSO representatives on the GAFSP Steering Committee have actively worked to meet with local CSOs in GAFSP

project areas, hear their concerns, and increase their capacity to get involved with GAFSP projects. As a result, GAFSP CSO Working Groups have been established as a coordination mechanism at the country level in Nepal, Cambodia, and Mongolia; and CSOs have been effective advocates based on their on-going involvement with GAFSP.

The Public Sector Window launched its Second Call for Proposals in January 2012. Six new countries received funds in May 2012 bringing the total number of countries receiving GAFSP grants to 18 amounting to US\$ 658 million. This is expected to reach 8.2 million farmers and their families. In order to start implementing projects, countries, together with their selected Supervising

"This project and my hard work made my dreams of self-realization and development as farmer come true."

—Mr. Donat Banyurwaniki, farmer beneficiary, Rwanda LWH project Entity, carry out a detailed design of the project including a rigorous results matrix with clear indicators, financial and economic analysis, environmental and social safeguard analysis, defining implementation arrangements, fiduciary arrangements, and any additional national procedures and requirements. By the end of the second year, 11 GAFSP supported projects in seven countries have completed preparation with their Supervising Entities, and five countries have begun to receive funds to implement their projects. Some early indication of results include:

In Bangladesh, a series of field demonstrations for new production technologies have taken place through 375 livelihood field schools, with 758 Rabi season and 750 Kharif season demonstrations for farmers' groups.

In Rwanda, the project has already reached 6,750 farmers (54 percent are women) and their families by providing improved farm methods and protection against soil erosion; and net sales from agricultural activities on targeted, non-irrigated hillsides have almost doubled.

8.2 million beneficiaries

In Sierra Leone, preparation for delivering improved extension services through 360 farmer field schools has been completed and will be delivered during the 2012 agricultural season on 180 demonstration sites; 193 Agricultural Business Centers (ABCs) are being rehabilitated; and the rehabilitation of 500 ha of inland valley swamps in five districts has begun.

In Togo, new lowland rice varieties supported by the projects' quick start operations are being cultivated on 750 ha; simple soil and water conservation techniques initiated by the project are now practiced on 1,000 ha; farmers in the project area are carrying out group-based experimental learning activities in 200 farmer field schools; and 250 km of rural roads have been rehabilitated to improve farmers' access to local markets.

On the Private Sector Window side, the First Call for Proposals was held in July 2011. As it welcomed two more donors, the governance structure and funding platform were revamped, and the Private Sector Window Secretariat was formally established at the International Finance Corporation (IFC) in January 2012. Even during the re-launch process, the Private Sector Window announced its first project in March 2012: a US\$ 5 million loan to an agribusiness firm in Bangladesh concurrent with a US\$ 10 million loan from IFC. The project will expand production capacity in response to an increase in the demand for packaged food products both in local and international markets. The project is expected to create over 1,200 new jobs in rural areas, and will source fruits, vegetables, and other inputs directly from over 1,700 small farmers, positively impacting their livelihoods.

The 2012 GAFSP Annual Report covers the program's second year of operation (July 1, 2011–June 30, 2012) and sets out more details about GAFSP's accomplishments during its second year, as well as foreseen challenges, as this innovative program supports the global effort to improve food security.

"GAFSP sets a new standard in development effectiveness."

— Under Secretary for International Affairs Lael Brainard, Department of Treasury, United States



"We want it to be home grown and we want to own the process."

Minister Florence Chenoweth,
 Ministry of Agriculture, Liberia



GAFSP addresses the need for more and better public and private investment in agriculture and related sectors to improve the income and food security of poor and vulnerable people in low-income countries. It is a multilateral financing mechanism that allows the rapid targeting and delivery of additional funding to public and private entities for support of strategic plans for agriculture and food security. The plans are developed and implemented by selected developing country governments with the support of development partners and regional organizations. GAFSP increases support to help poor countries alleviate poverty, improve rural livelihoods, and improve food security by raising agricultural productivity, linking farmers to markets, reducing risk and vulnerability, improving nonfarm rural livelihoods, and providing technical assistance. It emphasizes the scaling-up of good practice through support to strategic, inclusive, and evidence-based agricultural investment plans led by the countries themselves under existing aid effectiveness initiatives, such as the Comprehensive Africa Agricultural Development Programme (CAADP) process in Africa. GAFSP is a transformational approach in development assistance targeted to helping countries make lasting improvements in their food security through sustainable investment in their agricultural sectors.

12

TABLE 1: DONOR CONTRIBUTIONS TO PUBLIC AND PRIVATE SECTOR WINDOWS AS OF JUNE 30, 2012 (IN MILLIONS)

| | CONTRIBUTORS | CURRENCY | PLEDGED AMOUNT | COMMITTED AMOUNT | RECEIPTS | TOTAL AMOUNT (PLEDGED + COMMITTED) | US\$ EQ. TOTAL AMOUNT | |
|-----------------------------|--|---|-------------------|---|--|--|---|--|
| PUBLIC SECTOR WINDOW | Australia Canada Gates Foundation Ireland South Korea Spain United Kingdom United States Sub-total | \$A Can\$ US\$ € US\$ € £ | | 100.0 180.0 30.0 0.5 50.0 70.0 — 301.4 | 70.0 180.0 30.0 0.5 28.8 70.0 — 301.4 | 100.0 205.0 30.0 0.5 50.0 70.0 12.5 450.0 | 92.6 204.8 30.0 0.7 50.0 93.4 19.3 450.0 940.8 | |
| PRIVATE SECTOR WINDOW | Canada Netherlands United Kingdom United States Sub-total | Can\$ € £ US\$ | 37.5 | 50.0 100.0 — 25.0 | 50.0 — — — | 50.0 100.0 37.5 25.0 | 51.5 133.4 57.7 25.0 267.6 | |
| UNASSIGNED | United Kingdom Total | £ | 25.0 | - | - | 25.0 | 38.5 1245.4 | |

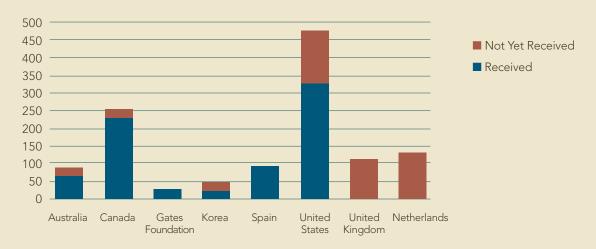
Contributions to GAFSP

As of June 30, 2012, nine donors have pledged¹ a total of US\$ eq. 1.25 billion to GAFSP, of which US\$ eq. 941 million was for the Public Sector Window, US\$ eq. 268 million was for the Private Sector Window, and US\$ eq. 39 million remains unassigned. In terms of receipts, US\$ eq. 702 million has been received for the Public Sector Window and US\$ eq. 50 million has been

received for the Private Sector Window. The GAFSP donors are as follows (the parentheses indicates the window that each donor supports): Australia (Public), the Bill & Melinda Gates Foundation (Public), Canada (Public and Private), Ireland (Public), the Netherlands (Private), the Republic of Korea (Public), Spain (Public), the United Kingdom (Public and Private), and the United States (Public and Private) | TABLE 1 AND FIGURE 1 (NEXT PAGE).

¹ A pledge represents a contributor's expression of intent to make a contribution. Pledges are converted to "commitments" by way of a countersigned Contribution Agreement/Arrangement. The total amount pledged is the US\$ eq. valued on the basis of exchange rates of April 22, 2010, the official launch date of GAFSP.

FIGURE 1: STATUS OF RECEIPT OF DONOR CONTRIBUTIONS FOR BOTH WINDOWS COMBINED AS OF JUNE 30, 2012 (IN US\$ EQ. MILLIONS)



Note: In addition to the donors listed in the figure, Ireland has pledged and paid US\$ eq. 0.6 million.

Governance

The GAFSP Steering Committee, which is the highest-level decision-making body of GAFSP, is an inclusive and transparent body that has representatives from donors, recipients, Civil Society Organizations (CSOs) Supervising Entities, the UN Secretary General's Office, and other stakeholders. Beyond the physical meetings, the Steering Committee regularly deliberates and makes decisions on issues by email exchange. Operations at GAFSP Private Sector Windows are overseen by the GAFSP Private Sector Window Donor Committee, which comprises representatives from contributors to the Private Sector Window.

The Steering Committee deliberations are fully inclusive with all members—voting and non-voting—participating actively. Decisions are made by consensus, with the only distinction between voting and nonvoting being that the voting members may veto decisions. The GAFSP Steering Committee is currently chaired by Australia, after the United States (Chair period: November 2010–May 2012), and Canada

(Chair period: April–November 2010). There are currently 28 members of the Steering Committee, of which 12 have voting rights. The Steering Committee may expand as more donors join GAFSP.

The 12 voting members include six major donors to the GAFSP Public Sector Window and a matching number of six recipient region representatives. As of June 30, 2012, the voting donor members are Australia, the Bill & Melinda Gates Foundation, Canada, the Republic of Korea, Spain, and the United States. The current recipient representatives are individual experts from Bangladesh, Haiti, Mongolia, Senegal, Sierra Leone, and Yemen. The recipient representatives, who represent the regions that they are from and not specific countries, were selected in April 2010 through a self-selection process by World Bank Executive Directors representing at least one International Development Association (IDA) country, as per the GAFSP Framework Document.

The remaining 16 nonvoting members are representatives of potential Supervising Entities for GAFSP Projects (Asian Development Bank [ADB], African Development Bank [AfDB], Inter-American Development Bank [IDB], World Bank, International Fund for Agricultural Development [IFAD], Food and Agriculture Organization [FAO], World Food Programme [WFP], and the IFC), CSOs (one representing African country CSOs, another representing Asian country CSOs, and a third representing developed country CSOs), the UN Secretary General's Special Representative on Food Security and Nutrition, and other donor/recipient representatives who are not voting members (Ireland and the Netherlands).

Public Sector Window

GAFSP Public Sector Window funding decisions are guided by a technical assessment of country proposals, which forms the basis of rapid and high-quality decision making by the Steering Committee. For every round of allocation, the GAFSP Steering Committee selects Technical Advisory Committee (TAC) members to review complete proposal packages against the Country Guidelines issued for each Call for Proposals. The TAC is populated by technical experts who represent a wide range of technical skills (agricultural policy, water management, food security, nutrition, gender, civil society engagement, etc.) and regional knowledge. Recommendations from the TAC constitute an important input in financing decisions undertaken by the Steering Committee.

For the Second Call for Proposals, the TAC consisted of 12 experts from around the world, covering a variety of disciplines and experiences. It was chaired by Mr. Steven Haggblade (Professor, Michigan State University). TAC members reviewed the submission packages in April 2012, gathered for a three-day confidential working meeting to reach a consensus on recommendations in May 2012, and presented their final recommendation report to the Steering Committee prior to the meeting on May 22–23, 2012.

The Supervising Entities represented on the Steering Committee are a key source of technical expertise during Steering Committee discussions, and they play a crucial role by supporting countries in preparing and implementing GAFSP projects that are selected for funding. Their presence at the Steering Committee helps ensure coordination among Supervising Entities on GAFSP matters. Current eligible Supervising Entities for the Public Sector Window are: AfDB, ADB, IDB, World Bank, and IFAD for investment operations and technical assistance, and FAO and WFP for technical assistance. Each country indicates a preferred Supervising Entity in its GAFSP proposal, and their selection must be approved by the Steering Committee.

Once selected, a Supervising Entity assists recipient countries in further designing, appraising, and supervising the implementation of the projects financed by GAFSP awards using existing Supervising Entity procedures for investment projects. For technical assistance projects assigned to FAO or WFP, the Supervising Entities may directly implement the technical assistance activities on behalf of the government, as per their regular procedures. The use of existing procedures avoids the creation of parallel processes and lowers transaction costs. The Supervising Entities report on progress to the Steering Committee every six months. Supervising Entities receive up to 5 percent of the award amount for each project that they support to cover preparation and supervision expenses. This amount is in addition to the award amount that the countries receive. GAFSP awards have been allocated to 18 countries so far | TABLE 2 AND FIGURE 2 (NEXT PAGE).

TABLE 2: CUMULATIVE GAFSP AWARDS
(by Supervising Entity and Award Amount)

| COUNTRY | SUPERVISING ENTITIES | AWARD AMOUNT (US\$ MILLION) |
|-----------------|-------------------------|-----------------------------|
| Bangladesh | WB and FAO | 50.0 |
| Burundi | IFAD | 30.0 |
| Cambodia | ADB | 39.1 |
| Ethiopia | WB and FAO | 51.5 |
| The Gambia | AfDB and FAO | 28.0 |
| Haiti | IDB and WB | 35.0 |
| Kyrgyz Republic | WB | 16.5 |
| Liberia | AfDB | 46.5 |
| Malawi | AfDB | 39.6 |
| Mongolia | WB and FAO | 12.5 |
| Nepal | WB | 46.5 |
| Niger | AfDB | 33.0 |
| Rwanda | WB | 50.0 |
| Senegal | AfDB | 40.0 |
| Sierra Leone | IFAD | 50.0 |
| Tajikistan | WB | 27.9 |
| Tanzania | WB | 22.9 |
| Togo | IFAD and WB | 39.0 |
| Total | | 658.0 |

Private Sector Window

The Private Sector Window is managed separately by the IFC, which is the sole Supervising Entity and also houses the Secretariat of the GAFSP Private Sector Window. Investments made under the two windows of GAFSP support the same end purpose and scope, to synergistically contribute to the goal of improving food security based on the understanding of the fundamental roles played by both the public and private sectors in agriculture. To respond better to the needs of the private sector, the Private Sector Window is

managed with a distinct governance structure that has been tailored to address business needs.

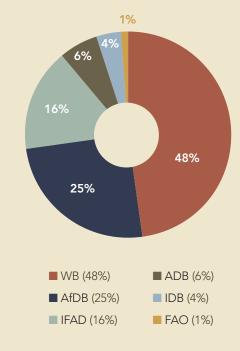
The GAFSP Steering Committee, as the overall governing body of the entire GAFSP program, ensures coordination between the two windows. For the operation of the Private Sector Window, the role of the Steering Committee is to: (i) to endorse its forward looking Annual Plan prior to each fiscal year after approval by the Donor Committee of the Private Sector Window; (ii) review and comment on periodic progress reports presented by the IFC; and (iii) comment and approve (together with the Private Sector Window's Donor Committee) the formation of the Consultative Board.

The Donor Committee provides strategic guidance to IFC for the deployment of GAFSP Private Sector Window funds, approves the forward looking Annual Plan prior to each fiscal year, and has delegated authority to the IFC to deploy investments and advisory services according to its relevant guidelines and policies. It is composed of representatives of Private Sector Window donors with a minimum contribution of US\$ eq. 20 million. As of June 30, 2012, Canada, the Netherlands, and the United States were members of the Donor Committee.

Contributors to the GAFSP Private Sector Window rely on IFC's expertise and experience with private sector projects to select, structure, and process investments that meet eligibility criteria set under the GAFSP Private Sector Charter. All investments supported by GAFSP funding go through IFC's rigorous processes and procedures, which include a thorough review and assessment of potential investments, environmental and social reviews, and development impact monitoring and evaluation. Concessional finance investments, in particular, undergo additional procedures at IFC for blended instruments that ensure compliance with principles established in the Charter such as minimum concessionality, market need, leverage of private funding, and long-term financial sustainability. Similarly, GAFSP investments have to comply with IFC's transparency and accountability standards, as set in its

FIGURE 2: BREAKDOWN OF SUPERVISING ENTITY FOR GAFSP AWARDS (PUBLIC SECTOR WINDOW)

(by Project Amounts)



Access to Information Policy. For each proposed investment under GAFSP, prior to consideration by its Board of Directors, IFC discloses relevant information pertaining to the project, including environmental and social implications, as well as expected development impact. Depending on the risk category, IFC also discloses an Environmental and Social Review Summary (ESRS) in addition to the regular Summary of Investment Information (SII). All these mechanisms ensure that GAFSP Private Sector Window projects follow the highest standards in terms of project selection and processing, transparency, and accountability.

IFC, as the Secretariat for the Private Sector Window, provides overall program management functions, including organizing open calls for investment proposals, screening projects for eligibility, as well as processing investment and advisory service projects. It also provides financial management and accounting of Private Sector Window funding, and reports on program results. As part of IFC's standard processes and procedures, all GAFSP Private Sector Window projects have to comply with all requirements with respect to environmental and social management issues as well as tracking and reporting development outcomes and impacts.

Canada is proud to be the second largest donor to GAFSP, which will increase agricultural production and deliver results to millions of people in need.

—Minister Julian Fantino, Ministry of International Cooperation, Canada

Overview 2011-2012 pubic sector window



TABLE 3: GAFSP RECIPIENT COUNTRIES

| | ALLOCATION (US\$ MII | LLION) | RECIPIENT COUNTRIES | | |
|---|--|------------------|--|--|--|
| FIRST CALL FOR PROPOSAL (MAY 2010) | June 2010 Allocation November 2010 Allocation June 2011 Allocation | 224 97 160 | Bangladesh, Haiti, Rwanda, Sierra Leone, Togo Ethiopia, Mongolia, Niger Cambodia, Liberia, Nepal, Tajikistan | | |
| SECOND CALL FOR PROPOSAL (JANUARY 2012) | May 2012 Allocation | 177 | Burundi, The Gambia, Kyrgyz Republic, Malawi, Senegal, Tanzania | | |
| | TOTAL | 658 | | | |



Effective Aid for the Public Sector

The GAFSP Public Sector Window provides a pooled source of additional donor financing targeted at scaling-up assistance to agriculture and food security by financing medium to long-term investments that will reduce risk and vulnerability, and ultimately raise incomes and food and nutrition security of poor households in the poorest countries. The GAFSP Public Sector Window supports technically sound, country-owned, and country-led agriculture and food security investment plans, thereby improving the sustainability prospects of donor-financed investments. It coordinates donor efforts and adds to the cost effectiveness of donor financing. The end objective is to help countries to be effective in solidifying their own food security.

Since June 2010, the GAFSP Public Sector Window has allocated more than half a billion dollars for innovative, country-led initiatives to support "aid-effective" agricultural investment plans proposals in 18 low-income

countries. GAFSP is helping countries make lasting improvements in their food security through sustainable investment in their agricultural sectors.

Outcome of the Second Call for Proposals (January 2012)

A Second Call for Proposals was issued in January 2012. Complete submission packages were received from 18 countries in Africa, Asia, the Middle East, and Latin America totaling US\$ 736 million. Out of this pool, 6 countries were approved for GAFSP grants for a total amount of US\$ 177 million (Burundi, The Gambia, Kyrgyz Republic, Malawi, Senegal, and Tanzania). This puts the total amount of GAFSP allocation at US\$ 658 million to 18 countries | TABLE 3.

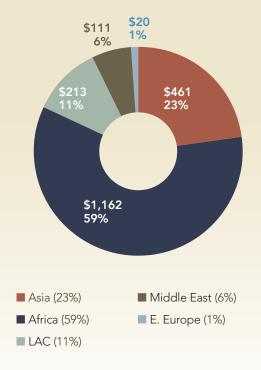
A Call for Proposals to national governments² is issued by the GAFSP Steering Committee once it is clear that

² Calls can in principle also be to regional organizations at the discretion of the Steering Committee; however, all Public Sector calls to date have been restricted to national governments.

adequate funding is in hand to justify the efforts of the significant number of countries that are expected to apply.³ The GAFSP Steering Committee allocates all funds available at the time to finance GAFSP grants reserving only a small amount of funds to cover necessary administrative costs and fees for the Supervising Entities, the Coordination Unit, and the Trustee.

Out of the 60 countries that were eligible to receive GAFSP financing for the First and Second Call for Proposals⁴, 34 countries submitted proposals to at least one of the Calls for a total requested amount of US\$ 1.97 billion. Fifty-nine percent of the requested amount was from African countries, while 23 percent

FIGURE 3: REGIONAL BREAK-DOWN OF REQUESTS FOR GAFSP FINANCING (PUBLIC SECTOR WINDOW) IN MILLIONS US\$



was from Asian countries, and the rest came from Latin America and the Caribbean (LAC), the Middle East, and Eastern Europe | FIGURE 3.

Public Sector Window Projects: Focus and Target

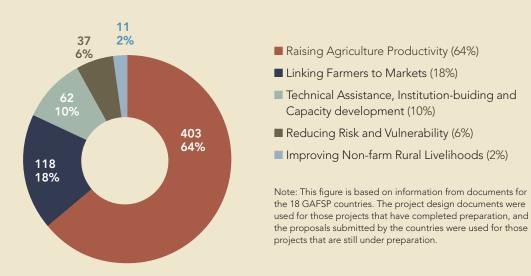
The GAFSP portfolio amounts to a total of US\$ 658 million across five thematic areas: raising agriculture productivity, linking farmers to markets, reducing risk and vulnerability, improving nonfarm rural livelihoods, and technical assistance. The largest share of the GAFSP portfolio is for raising agricultural productivity (64 percent), largely through investing in technology generation and dissemination (e.g., new high-yielding and drought-resistant seed varieties, capacity building of national agricultural research and extension services), and improved agricultural water management (e.g., irrigation and drainage). About 18 percent of the investment is to better link farmers to markets (e.g., rehabilitation and construction of roads and rural markets, improved storage facilities). Technical assistance is also an important part of many GAFSP projects, to improve the capacity of the farmers, farmer organizations, service providers, and government officials involved in sectoral planning | FIGURE 4.

GAFSP awards were announced in June 2010 to five initial countries, with three more countries in November 2010, four in June 2011, and six in May 2012. In total, GAFSP investments are estimated to directly benefit approximately 8.2 million people in 18 countries. Once a country is selected to receive a GAFSP award, the countries work on detailed project design with the support of a Supervising Entity, whom the countries have selected and the Steering Committee has confirmed. Project design is carried out according to the policies and procedures of the respective Supervising Entity, including requirements on environmental and

³ In practice to date, that has meant having at least US\$ 100 million available to allocate.

⁴ Eligible countries for GAFSP financing are all IDA member countries that are not in non-accrual status, and are not eligible for IBRD financing ("IDA-only countries"). Non-accrual status occurs when the oldest payment arrears are six months overdue. Once all arrears are cleared, all loans to, or guaranteed by, the country are generally restored to accrual status.

FIGURE 4: COMPOSITION OF GAFSP INVESTMENTS BY THEMATIC AREAS



social safeguard assessment and economic analysis. The final project design is reviewed by the Steering Committee to ensure alignment with the approved proposal and also by the relevant authority within the Supervising Entity before project implementation begins. The 18 GAFSP projects are at various stages of this process. Out of the 18 recipient countries, five began disbursing funds during this financial year: Bangladesh, Ethiopia, Rwanda, Sierra Leone, and Togo | FIGURE 5 (NEXT PAGE). As of May 30, 2012, the total amount disbursed to GAFSP recipient countries was US\$ 26.4 million.

During 2011-2012, some projects began to report early results on the ground:⁵

Bangladesh Integrated Agricultural Productivity Project (IAPP): IAPP has conducted a series of field demonstrations to introduce farmers to new production technologies. This involved the formulation of 375 Livelihood Field Schools, 758 Rabi season, and 750 Kharif season demonstrations for farmers' groups. The first adoption of improved tech-

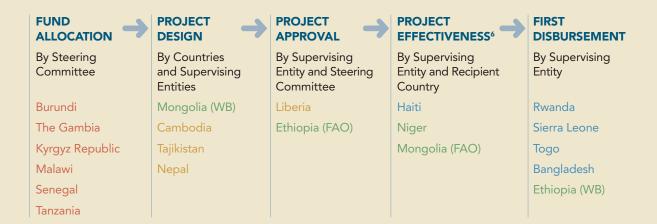
nologies by farmers on their fields is expected to begin during year two of the project. In addition, a series of short-term training courses (on M&E, project management, *Ruralinvest, Costab*, and good agricultural governance) have been prepared (to be delivered to government staff starting the second half of 2012) as part of the technical assistance component.

Rwanda Land Husbandry, Water Harvesting, and Hillside Irrigation Project (LWH):

The project has already reached about 6,750 farmers (of which 54 percent are women) and their families, surpassing the year one target of 5,000 farm households. The proportion of participating farmers in project area using improved farm methods has met and surpassed year one targets, measuring 66 percent for both female and male farmers. The proportion of land protected against soil erosion at the first four sites has increased from a baseline of 15 percent to 40 percent (end of project target is set at 80 percent). Net sales from agricultural activities on targeted, non-irrigated hillsides are US\$ 1,925 per hectare (ha), up from the baseline figure of US\$ 1,000/ha.

⁵ The results described in this paragraph refer to the project as a whole. In all of these projects GAFSP cofinances the project with the government and/or other development partners. The share of GAFSP funding in each project is: 74 percent (Bangladesh), 45 percent (Rwanda), 86 percent (Sierra Leone), 26 percent (Togo, PADAT), and 42 percent (Togo, PASA).

FIGURE 5: STATUS OF GAFSP PROJECTS (AS OF JUNE 30, 2012)



Funds allocated in: June 2010, November 2010, June 2011, May 2012

Sierra Leone Smallholder Commercialisation Programme (SCP): Preparation for delivering improved extension services to farmers through 360 Farmer Field Schools (FFSs) have been completed and are being delivered during this 2012 agricultural season on a total of number of 180 demo sites. In addition, 193 Agricultural Business Centers (ABCs) are being rehabilitated. The ABCs are farmer-owned, multipurpose forms of cooperatives that provide rural communities with a place to trade goods and services and act as an interface between famers and service providers, thus enhancing access to markets and technologies. The services include micro-credit, sale of inputs, rental of labor-saving equipment, storage of seeds and crops to reduce post-harvest losses, and the transport of harvests to markets. The rehabilitation of 500 ha of inland valley swamps for increasing national rice production in five districts has also begun.

In Togo, 18,000 poor people are already receiving benefits from the quick-start operations implemented by the **Project to Support Agricultural Development (PADAT),** which became effective in December 2011, although some activities began

already earlier in 2011 under an advanced financing agreement with the government, which provided US\$ 2.2 million in pre-financing. PADAT is helping to increase food production and productivity in five regions by providing farmers with improved rice and maize seeds as well as fertilizer. The project already reports that new lowland rice varieties are being cultivated on 750 ha. Simple soil and water conservation techniques initiated by the project are now practiced on 1,000 ha. Farmers in the project area are carrying out groupbased experimental learning activities in 200 farmer field schools to better understand the use of, and benefits from, integrated pest management techniques. For improving farmers' access to local markets, 250 kilometers (km) of road have been rehabilitated and another 560 km of road rehabilitation is being planned. Approximately half of the intended construction and rehabilitation of new shelter space for processing equipment and for postharvest storage has been completed. In addition, the **Agriculture Sector Support Project (PASA)** has provided 420 client days of training on results-based monitoring and evaluation and financial management to the staff of the Ministry of Agriculture, Livestock and Fisheries.

⁶ The grant is declared effective and disbursement can begin after approval by the relevant Supervising Entity authorizing body, signature of the legal agreement and compliance with any necessary conditions agreed on between the country and the Supervising Entity.



TABLE 4: STATUS ON EFFECTIVENESS AND DISBURSEMENTS OF GAFSP-FUNDED PROJECTS (AS OF MAY 31, 2012)

| COUNTRY | SUPERVISING ENTITY | EFFECTIVENESS DATE ⁶ | CUMULATIVE DISBURSEMENTS AS OF MAY 2012 (IN MILLION US\$) | PERCENT (%) OF TOTAL GAFSP FUNDING DISBURSED |
|--------------|-----------------------|------------------------------------|--|--|
| Bangladesh | WB | September 2011 | 4.05 | 9.0 |
| | FAO | November 2011 | 0.21 | 6.0 |
| Ethiopia | WB | February 2012 | 1.84 | 3.7 |
| Haiti | IDB | April 2012 | _ | - |
| | WB | April 2012 | _ | - |
| Mongolia | FAO | May 2012 | _ | _ |
| Niger | AfDB | May 2012 | - | _ |
| Rwanda | WB | June 2011 | 8.30 | 16.7 |
| Sierra Leone | IFAD | July 2011 | 9.60 | 19.2 |
| Togo | IFAD | January 2012 | 1.40 | 8.0 |
| | WB | December 2011 | 1.00 | 5.3 |
| Total | | 11 effective projects | 26.4 | 4%7 |

To date, 11 projects in eight countries have become effective, and first disbursements for financing initial project activities have been made in five countries.⁶ GAFSP projects are typically implemented over a period of five years and a disbursement scheduled is agreed on with the government and the Supervising Entity. The disbursement percentage currently ranges from 3.7 percent (Ethiopia) to 19.2 percent (Sierra Leone). All remaining projects being funded as part of the First Call for Proposals (i.e., allocations approved November 2010–June 2011) are expected to be disbursing by the fourth quarter of 2012 | TABLE 4.

In principle, GAFSP projects are expected to have similar preparation time compared to other projects prepared by the same Supervising Entities, because GAFSP projects are prepared and supervised according to Supervising Entity policy and procedures. However, since the GAFSP grants are awarded to countries with a high level of readiness and with project proposals

that have been vetted by the TAC for technical merit, GAFSP projects have been prepared in a shorter time frame than other projects.

On average, it has taken GAFSP projects 13.9 months from the time of the award by the Steering Committee to signing of the legal agreement (by the government and the Supervising Entity). After the signing of the legal agreement, legal conditions need to be satisfied before disbursement can begin. Average time from GAFSP grant award to first disbursement has been 20.6 months for GAFSP projects. As a benchmark, this compares with an average of 23 months from the beginning of preparation to signing of the legal agreement for agriculture and rural development projects supported by the World Bank (during FY08-FY12), which currently is the entity supervising the largest share of GAFSP funding among projects under implementation.

⁷ This amount is out of US\$ 658 million for 18 countries

BOX 1: SELECT GAFSP TARGETS

- Support 325,880 farmers in adopting improved technologies (in Bangladesh, Cambodia, Ethiopia, Haiti, and Togo)
- Support the adoption of improved technologies on 21,044 ha of farmland (in Ethiopia, Haiti, Liberia, Niger, and Togo)
- Develop, improve, or rehabilitate irrigation and drainage services on 153,088 ha of farmland (in Bangladesh, Ethiopia, Liberia, Niger, Rwanda, Sierra Leone, and Tajikistan)
- Construct or rehabilitate 1,024 km of rural roads (in Cambodia, Ethiopia, Liberia, Niger, and Togo)
- Support 58,540 farmers in forming or joining associations including producer associations, cooperatives, water user associations, and so forth, of which approximately 30 percent are expected to be women (in Ethiopia and Togo)
- Construct 100 rural markets or market centers (in Ethiopia, Liberia, and Sierra Leone)

Note: The figures are based on nine projects that had established baseline values and results targets as of May 30, 2012, and have been prorated by the percentage share of GAFSP funding in total project funding.

Measuring Impact of GAFSP Projects

The GAFSP Steering Committee places strong emphasis on evidence-based policy making at the program level, and also at the project operational level. As a reflection, the Steering Committee has adopted a policy for all GAFSP public sector investment projects to undergo an impact evaluation as part of its agenda to foster learning, accountability, and effective aid.

The GAFSP M&E Plan lists a menu of common results indicators ("GAFSP core indicators") developed for each thematic area. The indicators were selected for the M&E Plan based on discussions with technical experts and consultations with the GAFSP Supervising Entities. The most commonly selected GAFSP core indicators are on raising agricultural productivity and linking farmers to markets which makes up 64 percent and 18 percent of total GAFSP awards to date | BOX 1.

Selected GAFSP projects approved by the Steering Committee are funded to carry out an in-depth impact evaluation (using experimental or quasi-experimental evaluation methods). Other GAFSP investment projects

are expected to carry out a rapid impact evaluation (which may be of a non-experimental nature) as part of the project's M&E Plan.

At the request of the GAFSP Steering Committee, the World Bank's Development Impact Evaluation Initiative (DIME) has begun the process of setting up a structure for in-depth impact evaluation in six GAFSP countries (Bangladesh, Haiti, Mongolia, Nepal, Niger, and Rwanda). By working with DIME programmatically across countries in different regions and different institutional settings, GAFSP expects to identify broader lessons for the global food security community. GAFSP believes that DIME's proven modalities, which include training, networking, and learning-by-doing via joint government and Supervising Entity project teams, will strengthen country capacity in further undertaking evidence-based policy making. Over the past year, DIME has been working closely with the project teams (from government and Supervising Entities). The approach seeks to understand the logic (change theory) from input to outcome in the detailed mechanisms of project activities, in order to improve the impact evaluation design for each project. DIME assesses the overall impact of the project against its intended objectives towards the end of the project life. In addition,

BOX 2: SELECT RESEARCH QUESTIONS TO BE TESTED DURING IMPLEMENTATION

Bangladesh—Integrated Agricultural Productivity Project:

- What is the impact of FFSs on increasing adoption of improved crop, livestock, and fisheries technologies?
- How can risk sharing be used to increase technology adoption?

Haiti—Technology Transfer to Farmers Project:

- What is the impact of the voucher program on adoption of improved agricultural technologies, productivity, and income?
- Is there evidence that the impact varies across gender of the recipient?

Nepal—Agriculture and Food Security Project:

- What determines the effectiveness of using a distinct group of farmers ("demo farmers") to demonstrate the usefulness of new technologies for accelerating the uptake and spread of new technologies?
- What outreach programs are most effective in increasing the nutritional intake of children and pregnant women?

Niger—Water Mobilization to Increase Food Security Project:

 What is the complementary effect of access to credit?

Mongolia—Livestock and Agricultural Marketing Project:

 What is the best way to encourage adoption of improved animal health and breeding strategies?

Rwanda—Land Husbandry, Water-Harvesting, and Hillside Irrigation Project:

- Which financial products will best help beneficiary farmers increase savings and use of those savings for agricultural inputs?
- Is creating channels for farmer feedback an effective mechanism?
- How can we increase rates of water fee payments?
- Are community enforcement or pre-committed payments effective mechanisms?

throughout the life of the project, it supports the Government project team in setting up experimental models to enable evidence based decision making as the project is implemented | BOX 2. As of June 30, 2012, baseline surveys were being designed and organized for all six countries, with the majority to be conducted during the second half of 2012.

Primary data for impact evaluations will be gathered mainly through household surveys in both the project area (i.e., treatment area) and areas with similar characteristics that do not receive any treatment from the projects (i.e., the control area) to establish a counterfactual. The methods being used for establishing a counterfactual are either experimental design (also known as randomized control designs) that constructs the counterfactual through the random selection of treatment and control groups, or quasi-experimental designs (also called non-experimental designs) that relies on statistical models or design features to construct a counterfactual and includes approaches such as regression discontinuity design, propensity score matching, and instrumental variable.

As part of the engagement with DIME, government and Supervising Entity delegations from the six GAFSP countries participated in a large-scale DIME sponsored global workshop in Naivasha, Kenya (April 23–27, 2012).

The objectives of the workshop were for the teams to: (i) learn about quantitative methods used in experimental impact evaluations; and (ii) also develop a preliminary impact evaluation plan through "clinic" sessions with DIME-affiliated research economists, which includes project-specific questions to be addressed through the impact evaluation, as well as proposed methodology and a sampling framework. The six GAFSP teams that attended the DIME global workshop were part of 24 joint government and Supervising Entity teams (composed of approximately 150 people) working on infrastructure, environment or agricultural projects from Africa, Asia, and Latin America.

Impact evaluation complements the overall project M&E Plan for GAFSP projects. Monitoring, process evaluation, and impact evaluation are complementary and help answer different questions and can be used for real-time decision making. Monitoring and process evaluation helps to understand whether outcomes are moving in the right direction. In contrast, impact evaluation helps to understand what causal effect the program had on observed outcomes. It is expected that knowledge gained through this process by the project can be used to improve project implementation and hence the overall effectiveness of the project, as well as contribute to a more broad, evidence-based policy-making culture.

"By promoting agricultural growth, GAFSP has a catalytic role in increasing food security and

in increasing food security and decreasing rural poverty"

—Deputy Minister JonKu Choi, Ministry of Strategy and Finance, Republic of Korea

OVERVIEW 2011-2012 private sector window



A Catalytic Role to Support the Private Sector in Agriculture

Private sector development in agriculture and related value chains is crucial for reducing rural poverty, overcoming food security challenges, and achieving sustained productivity improvements in agriculture. As the implementing agency of the Private Sector Window, IFC is in a unique position to support these objectives. Being the largest global development institution focused on the private sector, it provides financing that helps companies grow quickly and sustainably together with advice that helps them innovate, raise standards, mitigate risk, and share knowledge across industries and regions. It also mobilizes additional resources from partners, enlarging the pool of available capital and expertise in countries that need it the most. IFC will leverage its expertise and experience with private sector projects to select and process investments in support of the Private Sector Windows goals.

The Private Sector Window of GAFSP will support and demonstrate new and innovative financing aimed at increasing the commercial potential of small- and medium-size agribusinesses and farmers by bringing them into the local, national, and global value chains. IFC, as the implementing entity for the Private Sector Window, will deploy investment instruments and cooperate with other Multilateral Development Banks in initiatives that help increase productivity, improve market access, support innovation, and develop new ideas in financing and technology, as well as projects that reduce information asymmetries between small end users of capital and financial institutions and reduce risks associated with financing smallholders and companies in the agribusiness sector. It will support projects that foster research, development, and innovations through entities operating in the "last mile," and finance projects that can demonstrate higher productivity, lower the use of water resources, and decrease inputs such as fertilizers. In doing so, IFC will aim to provide a demonstration effect for other financiers to increase investment and financing of the agri-sector in low-income countries.

The Private Sector Window will make investments [including first loss cover, loans and credit guarantees, and equity investments and provide advisory services (including grants)⁸ consistent with relevant IFC guidelines and policies | BOX 3 (NEXT PAGE). While it is recognized that the availability of investment opportunities is demand driven and subject to the readiness of the private sector in these countries, the Private Sector Window's aim is to launch innovative products that will allow for riskier financing in small- and medium- sized companies along the agribusiness supply chain in frontier regions or countries that would otherwise not attract investment capital.

The Private Sector Window plays a catalytic role to create opportunity to support innovative private sector investments with a higher risk profile and deliver a level of additionality and impact beyond what is possible through IFC's regular operations. This approach is enabled through the availability of investment funding under the Private Sector Window with concessional terms. Private Sector Window funding, at concessional terms, will be used on eligible projects along with IFC's own funding as well as other private sector funding to provide the necessary blended finance investment solutions for eligible private sector projects. The Private Sector Window estimates that for each dollar of GAFSP investments there will be approximately nine additional dollars in mobilized private investments.

All current funding available in the Private Sector Window is provided by contributors under concessional terms and is available to be deployed as part of an overall blended financing package for eligible private sector projects. Deploying and blending con-

⁸ The main intent of the Advisory Services is to directly complement the GAFSP Private Sector Window investment activities. It will focus on four areas: (i) strengthening of the investment pipeline for the Private Sector Window by breaking down information asymmetries and preparing public-private partnership projects that can access the Private Sector Window; (ii) provision of detailed agricultural sector diagnoses on a strategic country-by-country and commodity-by commodity basis, taking sustainability issues into account to inform the third area of work; namely, (iii) provision of advisory services at the farmer, firm, and sector-wide levels; and (iv) evaluation and learning from the GAFSP overall investment and advisory approach.

cessional funds alongside IFC funds can help "de-risk" projects in the market where the demonstration effect will be significant, or where cost barriers are prohibitive but are expected to decline over time. The term "blended finance" refers to IFC's approach to the provision of financing (via a blended package) to a private sector investment project on terms more favorable than market where it is expected that the need for below-market terms is time-bound. Concessional funds can be structured through risk-sharing products on below-market terms; the provision of debt financing with differences in rate, tenor, security or rank; or

through equity investments with ex-ante expectations of below-market returns. IFC will follow its established and disciplined approach around the use of blended finance including the principle of minimum concessionality and a time-bound approach in the support of projects that lead to long-term sustainability.

Projects using blended financing are thus expected to involve a level of additionality and impact beyond what is possible through IFC's regular operations. Funding under concessional terms will target clients that IFC normally cannot reach due to inadequate size or different

BOX 3: MENU OF INVESTMENT PRODUCTS OFFERED BY THE GAFSP PRIVATE SECTOR WINDOW

First Loss and Risk Sharing Products: When there are high perceived risks, concessional investments can be used in a subordinated position for structured products such as partial credit guarantees, risk-sharing facilities, structured debt funds, and securitizations. These types of investments enable the partnering financial institution to move beyond its normal business into new lines of lending. GAFSP Private Sector Window funding will be applied to cover a portion of the first loss tranche within the facilities. The coverage is typically provided to enable the partnering financial institution to enter into new sectors, but where perceived risk is high, making market-based pricing for the first loss tranche prohibitively expensive.

Debt Products: Debt products can be tailored to address the high cost of early mark entrants. To strengthen accountability and incentives for performance, the level of subsidy can be tied to the achievement of desired results through interest rate reductions, longer tenors, or with different rank and security packages. For senior debt, a common approach to simplify processing is to focus the concessionality on softer pricing or tenor only and keep security and rank pari-passu with IFC.

Subordinated Debt and Mezzanine Financ-

ing: Subordinated or mezzanine debt (financing with a lower payment priority than senior loans and lower pricing than market terms) can address a combination of risk and cost barriers in the same project. This product can be useful to strengthen a project equity profile and to encourage additional commercial lenders to provide senior debt financing.

Equity and Quasi-Equity Products: In many cases, blended debt products can be structured to achieve the same effect as equity products with lower transaction costs. However, there can be instances where equity instruments with ex ante lower expected returns for the risk undertaken can play a unique role in catalyzing private investment. Equity products can encourage developers to accept risks they otherwise would not by sharing in the equity risk. Equity may be needed to support projects that have viable business plans but where sponsors either do not have the financial wherewithal to implement the project alone (senior debtors require varying levels of equity investments depending on the level of risk perceived in a project or market), or because project sponsors are unwilling or unable to shoulder the full risks associated with entering a new and unproven market. Equity can also be used to support the growth of private equity and venture capital funds in sectors promising high developmental impact.

BOX 4: SUMMARY OF THE FIRST PRIVATE SECTOR WINDOW TRANSACTION

In April 2012, the Private Sector Window agreed to provide a US\$ 5 million loan to Natore Agro, a subsidiary of food processing group PRAN. The Private Sector Window loan will be concurrent with IFC's loan investment of US\$ 10 million, to expand production capacity, create rural jobs and integrate small farmers into retail supply chains. This project is in response to an increase in the demand for packaged food products both in local

and international markets. The project will source fruits, vegetables and other inputs directly from over 1,700 small farmers, positively impacting their livelihoods. PRAN's extended distribution network will enable the company to reach underserved, impoverished communities to provide them with affordable, essential food products of high quality.

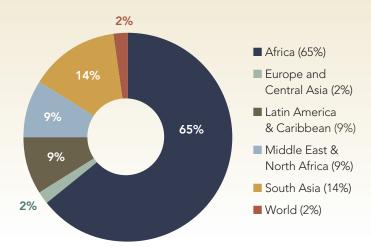
risk profile. In all cases, the direct beneficiaries of blended finance are private sector investors and their financiers. Developers, commercial financiers and equity providers in a project benefit from the presence of subsidies blended into a package insofar as the project receives the blended funds at below-market terms, which enables them to proceed with investments. In some cases, particularly with facilities implemented by local financial institutions, consumers and end users may also benefit directly from blended funds given to those financial institutions because the subsidy element directly translates into lower borrowing costs for small and medium enterprises (SMEs) or consumers.

In March 2012, the Private Sector Window announced its first project, which was identified through the existing IFC business pipeline. The Private Sector Window committed US\$ 5 million to the PRAN Group, a diversified food processing company in Bangladesh. This project represents the first transaction made under the Private Sector Window | BOX 4. Bangladesh is one of the initial recipients of the Public Sector Window as well. The Second Call for Proposals is scheduled for fall 2012.

Outcome of the First Call for Proposals (July 2011)

The GAFSP Private Sector Window held its First Call for Proposals from July 18, 2011 to August 17, 2011. During this time, the Private Sector Window received a total of 44 proposals globally | FIGURE 6. Out of these 44 proposals, 36 proposals did not fulfill standard eligibility criteria and the remaining eight were evaluated further by IFC. Upon detailed review following IFC's standard investment process and procedures, none of the eight proposals resulted in investment opportunities for the Private Sector Window.

FIGURE 6: REGIONAL BREAKDOWN
OF REQUESTS FOR GAFSP FINANCING
(PRIVATE SECTOR WINDOW;
BY NUMBER OF PROPOSALS)



working with partners



Collaboration with CSOs

GAFSP operates in an inclusive and transparent manner and values partnerships with CSOs such as farmer organizations, Nongovernmental Organizations (NGOs), research organizations, and other stakeholders to effectively achieve its goals. A key objective of GAFSP is to facilitate country-led investment plans that are inclusive of the participation of all relevant stakeholders, with a particular interest in anticipated impacts on smallholders. In addition to being a key part of GAFSP's governance through the Steering Committee, CSOs are a vital part of the operations and advocacy for smallholder farmers. The three CSO representatives on the GAFSP Steering Committee (one representing African country CSOs, another representing Asian country CSOs, and a third representing developed country CSOs) were selected through their respective networks by a self-selection process. Civil society participation in GAFSP does not imply agreement by individual CSOs to all of its approaches, particularly some activities of the Private Sector Window where their voice is limited. The representatives for the three groups are as follows:

African CSO: A representative from the Network of Farmers' and Agricultural Producers' Organisations of West Africa (*Réseau des organisations paysannes et de producteurs de l'Afrique de l'Ouest* [ROPPA]), based in Burkina Faso.

Asian CSO: A representative from Asia from the Farmer and Nature Net (FNN), based in Cambodia supported by the Asian Farmers Association (AFA), based in the Philippines.

Northern CSO: A representative from ActionAid (July 2011–January 2012: from ActionAid USA, and January 2012–June 2012 from ActionAid UK). The Northern CSO constituency represents development NGOs and organizations working on food security and hunger in Canada, the United States, and Europe. Members of the constituency include platforms like

InterAction (the alliance of 200 US international development NGOs) and CONCORD (the European NGO confederation for relief and development) as well as individual organizations working on food security like Oxfam, ActionAid, the Canadian Food Grains Bank, and ONE.

Over the past year, the Asian and African CSO representatives have actively worked to meet with local CSOs in GAFSP project areas, hear their concerns, and increase their capacity to get involved with GAFSP projects. The Northern CSO Representative has worked to advocate for GAFSP and for CSO involvement in effective development programs | BOX 5 (NEXT PAGE).

As requested by the African and Asian CSO representatives, the GAFSP Steering Committee provides funds to both groups to enable them to effectively carry out their outreach and consultancy efforts. The CSO representatives facilitate consultation among and dissemination of information to constituency CSOs, in order for them to represent and advocate their constituents' views to improve the working of GAFSP.

CSOs play also a fundamental role in independently disseminating the program's activities and increasing awareness of agriculture and food security issues, by sharing success stories from the programs in the field and highlighting the need for aid-effectiveness mechanisms like GAFSP. This adds credibility to GAFSP, as these actions are undertaken independently from the official outreach activities of the Coordination Unit and add a true "voice from the field." CSO representatives have also worked continuously to advocate for donors and potential donors to honor pledges or increase investments. To this end, CSOs representatives and their networks carry out outreach events and create materials (policy briefs, blogs, and workshop presentations) that draw attention to the progress and achievements of the program.

BOX 5: SELECT ACTIVITIES CARRIED OUT BY THE REPRESENTATIVE

African CSO

- Informal information sharing meetings with farmer leaders and rural women's organization (Ghana, February 2012)
- Consultation with Pan-African Farmer's Organization (PAFO) and other NGOs such as, PROPAC, EAFF, SACAU, UMAGRI, and ROPPA (Italy, February 2012)
- Regional consultations organized by ROPPA for knowledge sharing among farmer organizations and CSOs (Togo and Congo, April 2012)
- Coordination of work with other CSOs participating in GAFSP Steering Committee meeting (i.e. AFA and ActionAid): teleconference (May 2012), preparatory meeting (USA, May 2012) and de-briefing meeting (USA, May 2012)
- Drafting and dissemination of an information note on GAFSP (widely shared with all representatives at above listed events)

Asian CSO

- Consultation in Nepal (October, 2011 and January– February, 2012), Bangladesh (April 2012) and Mongolia (May 2012)
- Establishment of a GAFSP CSO Working Group as a coordination mechanism at the country level in Nepal (August 2011), Cambodia (August 2011), and Mongolia (May 2012)
- AFA Presentation on GAFSP during CSOs meeting, prior to the FAO Asia Pacific Regional Conference in Vietnam (March 2012)
- Joint work with AgriCord to build capacities of farmer organizations to encourage engagement with GAFSP

- Facilitated liaisons at country level between national CSOs and farmer organizations with GAFSP Project Management Units and government
- Explored options with government and Supervising Entities for further involvement of CSOs and farmer organizations in the design phase of the GAFSP programs (Nepal and Mongolia)
- Carried out joint missions with Supervising Entities to identify capacity needs of farmer groups, including CSO consultations and field visits in Bangladesh
- Supported CSO representative members of the National Project Steering and Implementation Committee in Bangladesh

Northern CSO

- Educated policymakers in the US Congress about the role of CSOs and impact of GAFSP, contributing to increasing appropriations for the fund from Congress in a time of budget cuts
- Organized an event highlighting the role of civil society and the impacts of GAFSP at the World Food Prize (October 2011, USA)
- In 2011, engaged with the Steering Committee working group to revise the Quality of Participation guidelines that were included in the Second Call for Proposals guidelines
- Organized several conference calls with members of the constituency, as well as a face-to-face meeting of the three CSO Steering Committee members to share information and develop positions
- Presented on the role of CSOs within GAFSP at the L'Aquila Food Security Initiative (AFSI) meeting and at the CSO Policy Forum of the World Bank/IMF Spring Meetings (April 2012, USA)
- Brief U.K. Hunger Alliance on the recent GAFSP Steering Committee meeting and on upcoming opportunities for engagement

Outreach Efforts

GAFSP Steering Committee members, the Coordination Unit, and the Private Sector Window Secretariat have been actively carrying out outreach and advocacy activities over the past year. As a result, GAFSP has been featured at key events, highlighted in news sources, and promoted through newsletters, articles, and video footage. GAFSP was featured in several video products, including three that were commissioned by the Coordination Unit | BOX 6.

GAFSP was also featured at a number of important events, including the World Food Prize Ceremony (October 2011), the Busan Fourth High Level Forum on Aid Effectiveness (November 2011), the Global Donor Platform for Rural Development Annual Meeting (January 2012), the Bank-Fund Spring Meetings (April 2012), and the Chicago Council's Symposium on Global Agriculture and Food Security (May 2012). The Coordination Unit launched a new monthly update

brief that highlights specific project updates, funding information, and stories, photos, and quotes from projects on the ground. GAFSP was also featured on the Huffington Post, CNBC, and other notable media outlets | BOX 7 (NEXT PAGE). In part, this success is due to efforts from NGOs like ActionAid, ONE, Interaction, Bread for the World Institute, and others to turn GAFSP into a household name. GAFSP's high profile even resulted in the "Great GAFSP Challenge" organized by ONE in March 2012 to come up with a "better and easier to pronounce name" for the program. These efforts drew increased advocacy and publicity for the program. The Steering Committee acknowledges and appreciates GAFSP's name recognition and reputation that have already been built, especially in the recipient countries, and will continue to strengthen the program to effectively reach its objectives. The main outlet of outreach remains the GAFSP website (www.gafspfund.org), which is managed by the Coordination Unit and constantly updated. The outreach efforts will continue throughout the next

BOX 6: SELECT VIDEOS FEATURING GAFSP

GAFSP: Aid Effectiveness, Boosting Food Security (2:28 minutes, October 2011, produced by GAFSP): The video was featured at the Busan Fourth High Level Forum on Aid Effectiveness, and offers an overview of the structure, objective, and goals of GAFSP. It includes interviews with recipients, CSO representatives, and UN officials.

Togo National Agricultural Investment and Food Security Program (PNIASA) (French version: 13 minutes, February 2012; English version: 7:56 minutes, April 2012, both produced by the Togo Ministry of Agriculture, Livestock and Fisheries) PNIASA is composed of multiple projects, funded by many donors. These videos explain the current status of the agriculture sector in Togo as well as the main project operations and intended outcomes of the PNIASA.

A Country Experience from Liberia—Dr. Florence Chenoweth (3:15 minutes, April 2012, produced by GAFSP): The video features an interview with Dr. Florence Chenoweth, the Minister of Agriculture in Liberia and the 2011 recipient of the Africa Prize for Leadership. It focuses on Liberia's efforts to rebuild its economy and agriculture sector by working through the CAADP process, and her expectations for GAFSP.

Boosting Agriculture in Haiti (3:34 minutes, June 2012, produced by GAFSP): The video focuses on the current situation of small farmers in Haiti and summarizes the two investment projects that are receiving GAFSP support: PTTA and RESEPAG II.

Note: All of these videos can be viewed on the GAFSP website (www.gafspfund.org/gafsp/content/video)

BOX 7: SELECT MEDIA QUOTES ABOUT GAFSP

"By funding government proposals based on national agricultural development strategies, providing information about where development aid is going and requiring robust monitoring and evaluation mechanisms, GAFSP minimizes aid lost to corruption, misuse and inefficiency."

—ONE, November 11, 2011

"By focusing on agriculture, **GAFSP helps to empower** women, who are vulnerable to food insecurity despite being primary actors in the food chain in most developing countries. In turn, as women's incomes grow, they are able to reinvest their earnings in their families—meaning better nutrition, better health, and better education for children, thereby helping to reduce poverty in communities as a whole."

—Bread for the World Institute, December 2011

"GAFSP. The Global Agriculture and Food Security Program. It has a powerful mission, but a pretty clunky name.So our goal is to get ONE members like you to rename GAFSP before the G8 in May. Why? Because we want to make it easier for people to understand this powerful program and help make sure it gets the funding it needs."

-ONE, March 26, 2012

"GAFSP embodies the Paris Declaration and Rome Principles by pooling and aligning donor resources behind country-owned food security plans."

—Bread for the World Institute, May 2012

"The private sector window of the GAFSP is another crucial mechanism. This aims to provide long- and short-term loans, credit guarantees and equity to increase the commercial potential of small and medium-sized agri-businesses and farmers by connecting them with local, national and global value chains."

—ONE, April 5, 2012

"Support what works. One of the best outcomes of the L'Aquila summit three years ago was the creation of the GAFSP, an innovative multi-donor trust fund that backs country plans and engages farmers and civil society in decision making and implementation. It's already making a huge difference in 12 countries, but it's vastly underfunded."

—Huffington Post, May 10, 2012

"One program it views as highly successful is the public-private partnership the GAFSP, which works with countries to boost agricultural productivity. The Obama administration would like to expand it. 'We want the private sector to bring their savvy, their innovation and their investments. It is a huge for International Affairs, said."

—CNBC, May 18, 2012

"GAFSP is one of the most effective ways the United States is supporting the effort to end hunger and poverty."

—All Africa, May 18, 2012

Note: Each of the full articles from which these quotes are taken can be found on the GAFSP website (www.gafspfund.org/gafsp/content/gafsp-news)

year and will be expanded as more projects begin to report stories and tangible results.

Results from GAFSP projects are presented and show-cased through publications, dissemination events, and particularly the GAFSP website. As part of this effort, the GAFSP Steering Committee had requested the Coordination Unit to enhance the GAFSP website by presenting maps for each GAFSP project with project sites pinpointed and shown with relevant development data layers such as farming systems, poverty rates, or malnutrition rates at the subnational level. During this year, GAFSP country maps were

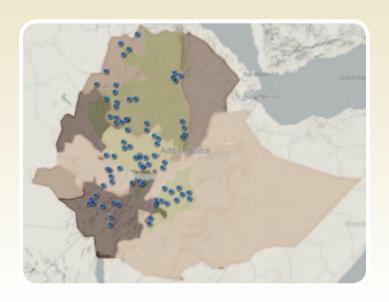
completed and uploaded onto the GAFSP website for Bangladesh, Cambodia, Ethiopia, Haiti, Nepal, Niger, Rwanda, and Tajikistan | FIGURE 7. They will be updated as implementation progresses to identify specific project intervention locations as they are selected. During the next year the mapping activity will be expanded to include the remaining 10 countries that were awarded GAFSP financing during this reporting period. All 18 GAFSP maps will also include the "geo-story" function that will cross-reference media content such as photos, videos, and so forth, with coordinates on the maps as an alternative way of visualizing GAFSP results.

"My dream

is to make savings, and to become a business man."

— Mr. Kaifala Mansaray, farmer beneficiary, Sierra Leone SCP project

FIGURE 7: A SAMPLE GAFSP MAP: ETHIOPIA



www.gafspfund.org/gafsp/content/ethiopia

Map description: The map shows Ethiopia's 11 regions, 81 zones, and 550 woredas (districts). The 83 GAFSP supported Agricultural Growth Program (AGP) project areas (at the woreda level) are spread across the four regions of: Amhara; Oromiya; Tigray; and Southern Nations, Nationalities, and Peoples Region (SNNPR). AGP activities are primarily in the highlands-temperate mixed zones that, with AGP support, have considerable potential for agricultural growth. In these areas small-scale farmers crop an average area of less than 1 hectare (ranging between 0.25 and 2.3 ha). An online interactive map shows subnational poverty and population density data, as well as information on the predominant farming systems in the various regions.

learning by doing



Lessons from the First Call for Proposals: Public Sector Window

In 2011 the Steering Committee set up a Working Group9 tasked to revise the Country Guidelines, a document that details the eligibility and selection criteria for each Call for Proposals. The primary objective of the Working Group was to improve the Country Guidelines used in the First Call for Proposals by reassessing the weighting assigned to the various selection criteria, and, in general, to better reflect lessons learned during the First Call for Proposals. The recommendations of the Working Group were ultimately adopted by the full Steering Committee, and the revised Country Guidelines were issued for the Second Call for Proposals (launched in January 2012). The TAC acknowledged that these revisions improved the quality of the proposals received under the Second Call for Proposal. Specifically, the process of "learning by doing" that led to the revised Country Guidelines resulted in the following:

A higher emphasis given to country need, making GAFSP more targeted to the needlest countries.

Revisions to the assessment criteria (county need, country readiness, and proposal readiness) were: (i) the merging of the country policy score with the country readiness score; (ii) directly changing the relative weights to 30-30-40 respectively for country need, country readiness (inclusive of policy), and proposal readiness; and (iii) retaining the normalized approach used to calculate country need scores based on the MDG1—relative measures of poverty and hunger¹⁰ for all 60 GAFSP eligible countries. The most significant change from the First Call for Proposals was the increased importance of the country need score in the overall calculation. The increased importance was re-

flected in (i) its increased direct weight (with country need accounting for 30 percent of the overall score in the revised criteria, and increase from 12.5 percent) and (ii) in the large variance of country need score derived from the normalization approach. Country and proposal readiness scores varied less across submitting countries than country need, as some of their sub-components did not generate a wide dispersion in the scores.

A more detailed guidance was provided to non-CAADP countries on what constitutes a "CAADP like" independent review of investment plans, to ensure consistency across regions (CAADP and non-CAADP), and to improve the overall quality of investment plans. Specifically, and annex was added to the Country Guidelines (Annex 2 of the Country Guidelines) outlining as guidance for the reviews of non-Africa country investment plans This includes a review of: the key focus areas of CAADP reviews: (i) the consistency of country budgetary and development assistance commitments with the country investment plan; (ii) the coherence and/or consistency between policies, implementation arrangements, and delivery mechanisms, and investments areas, priorities, or program objectives; (iii) the appropriateness and feasibility of the indicators for impact and system for capacity improvement and accountability; and (iv) the extent and quality of dialogue, (peer) review, and the mutual accountability system.

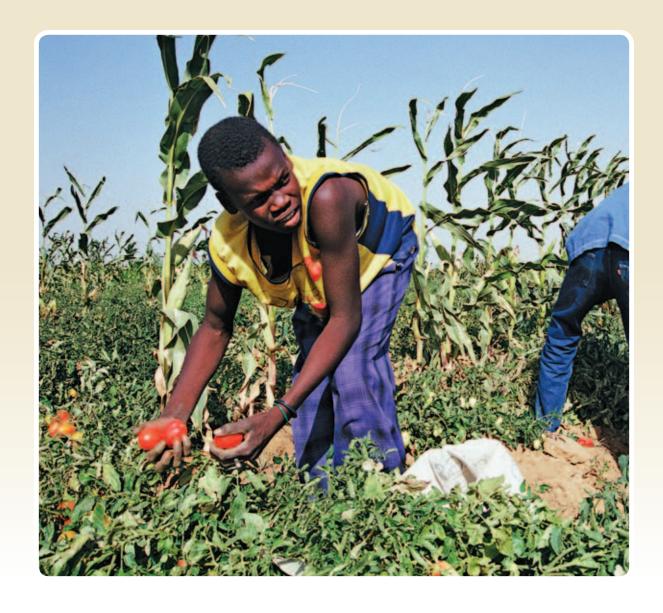
A more detailed guidance on assessing the quality of stakeholder involvement to try to ensure full participation of all actors in design and implementation of the country investment plan and GAFSP proposal. A comprehensive annex to the Country Guidelines (Annex 3) was developed aimed at clearly articulating the areas of review to verify the quality of stakeholders' participation and consultations. Specifically, the annex specified four key elements and indi-

⁹ The Working Group was led by the Chair of the GAFSP Steering Committee and was composed of a subset of Steering Committee members selected by the Steering Committee. The members included the various constituents of the Steering Committee, namely donors, recipient representatives, Supervising Entity representatives, and CSO representatives.

¹⁰ Specifically, these include: (i) the proportion of people below the \$1 per day poverty line, (ii) the poverty gap ratio, (iii) the percent of the poorest quintile in national consumption, (iv) the prevalence of underweight children under 5 years of age, and (v) the percent of the population below the minimum level of dietary energy consumption.

cators of the quality of participation (inclusiveness, planning, substance and transparency, and impact on project design and implementation) and means of verification for each of the key elements. Countries were requested to provide clear and verifiable evidence of participation by key self-selected civil/stake-holders group in the preparation of the country agriculture and food security strategy and investment plan, and GAFSP proposal, and a mechanism to facilitate such participation in the implementation of the proposed activities.

Increased attention to the institutional arrangements for preparation and implementation in order to improve the speed of preparation and the quality of implementation of selected projects. To better assess implementation readiness, the revised Country Guidelines requested that the countries clearly state the institutional arrangements and interministerial coordination, reflecting actual or planned capacity to implement the proposal. Countries were requested to demonstrate technical realism through alignment of resources with results. To better support the CAADP process (and not undermine it) it was requested that CAADP countries document evidence that a CAADP



Business Meeting had taken place following the Technical Review. This was not a requirement under the First Call for Proposals. These changes helped the TAC in comparing country capacity and institutional arrangements with the proposed investment plan, assessing its likelihood of being successfully implemented.

Increased clarity to assess the poverty reduction impact of GAFSP to enable a better assessment of the overall likely impact of GAFSP proposals to higher-level objectives. In the revised Country Guidelines, the countries were requested to explicitly highlight the causal links between the proposed activities and objectives, including the expected pathways that would lead to a reduction of poverty and hunger, and to improved nutrition. The countries were also requested to identify the level of priority of the proposed activities given in the country's agriculture and food security strategy and investment plan.

Going forward, the Steering Committee believes that a continuous process of "learning by doing" should be applied to all aspects of GAFSP, including the grant allocation process, to ensure that GAFSP appropriately balances competing demands in the selection criteria, such as targeting those most in need, the quality of investment proposals to be selected for funding, and the speed of preparation and implementation of any funded projects.

Lessons from the First Call for Proposals: Private Sector Window

During the First Call for Proposals (July 18–August 17, 2011), IFC, as the Secretariat of the Private Sector Window, received a total of 44 proposals. Thirty-six proposals were rejected during an initial review by the Secretariat because they did not meet the basic eligibility criteria: i.e., (i) ineligible company structure; (ii) lack of a three year track record (profitability); (iii) inadequate audited financial statements; and (iv) the project

country was not IDA-only; or any combination of the four. Approximately half of the applications were submitted by NGOs and social enterprises seeking grant funding, which are not eligible under the Private Sector Window. The remaining eight proposals were recommended by the Secretariat to IFC investment teams for further review. IFC's investment team rejected seven out of the eight proposals, based on the commercial viability of the proposals (investment size and project concept). Upon detailed review following IFC's standard investment process and procedures, none of the eight proposals resulted in investment opportunities for the Private Sector Window.

In October 2012, the Private Sector Window Secretariat will launch the Second Call for Proposals incorporating the experience and lessons learned from the First Call:

Revised eligibility criteria: During the First Call for Proposals, less than 20 percent of the total projects met basic eligibility criteria, and 18 project proposals did not meet any of the eligibility criteria. In order to improve the quality of applications, the Private Sector Window Secretariat team will: (i) further detail and provide clarity of the eligibility criteria; (ii) relax the criteria of demonstrated profitability of three years when the project or sponsor sufficiently meets all other criteria, given the conceptual framework of GAFSP; and (iii) announce a minimum project threshold of US\$ 5 million as one of the criteria in order to streamline the evaluation process as well as setting a benchmark for commercially viable projects. In terms of commercial viability of submitted proposals, the majority were not commercially viable. Some projects were submitted by nonbusiness entities such as NGOs and sought grant funding. The Private Sector Window Secretariat intends to (i) highlight at the outset that this is a public call for "investment" proposals and not grant funding; and (ii) further note that grant funding will be excluded from any evaluation.

Increased involvement from Multilateral Development Banks: Multilateral Development Banks (especially the private sector financing arms of each Bank) were strongly encouraged, and efforts were made, to solicit eligible investment proposals from their own pipeline to co-invest with funds from the GAFSP Private Sector Window and IFC in the First Call for Proposals. However, no proposals were received from any of the Multilateral Development Banks. Therefore, for the Second Call for Proposals planned in the November 2012, extensive premarketing to targeted Multilateral Development Banks will be made through investment forums, networking events, and sessions.

Increased support structure: Finally, the total number of applications for the First Call for Proposals, 44 in total, was fewer than expected. The First Call was launched prior to the establishment of the dedicated Private Sector Window Secretariat including the appointment of the Head of the Secretariat in January 2012. For the Second Call for Proposals, the Secretariat is carrying out broad premarketing efforts through multiple channels. Also, the Call period is expected to be increased to 45 days from the 30 days that was used for the First Call for Proposals.



Continuous Improvement Process

As GAFSP marked its second anniversary in April 2012, the Steering Committee launched a new exercise, the GAFSP Continuous Improvement Process, to review the first two years of GAFSP's experience, identify areas for improvement, and ensure that GAFSP is able to capitalize on its successes and maximize its potential. The process is intended to ensure that GAFSP: (i) remains focused on improving food security at the country level, (ii) aligns external resources with country investment plans, (iii) focuses attention on specific programmatic opportunities and challenges, and (iv) attracts additional resources. The Meridian Institute, an internationally regarded non-profit organization that specializes in consensus building and collaborative problem solving, with extensive experience in international agricultural research and development was brought on board to design and implement the process.

The Meridian Institute began its work in April 2012. The work focuses on identifying and prioritizing issues concerning implementation of the Public and Private Sector Windows of GAFSP with the objective of defining options for consensus solutions to high-priority issues. Meridian's work is guided by a group of advisors con-

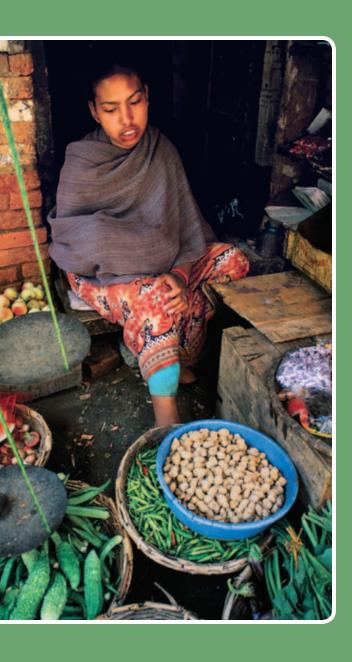
sisting of Steering Committee members and the GAFSP Program Manager and the Head of the Private Sector Window. The Meridian Institute will: (i) carry out targeted interviews and surveys to relevant stakeholders; (ii) design, plan, and facilitate working sessions to discuss and refine emergent options for addressing high-priority issues with an aim toward developing consensus recommendations from the diverse perspectives that must be accounted for to achieve successful implementation; and (iii) finalize and submit recommendations for consideration by the Steering Committee. Initial issues that have been identified by the Steering Committee to examine include: (i) the possibility of accelerating implementation of GAFSP Public Sector Window projects; (ii) ways of differentiating GAFSP Private Sector Window investments from other existing private sector investment in the agriculture sector; (iii) coordination between the two windows of GAFSP to enhance complementarities; and (iv) ways of improving the delineation of responsibilities among the various GAFSP related bodies (Steering Committee, Private Sector Window Donor Committee, Coordination Unit, Private Sector Window Secretariat, Supervising Entities, etc.). Recommendations are expected to be submitted by the Meridian Institute in the second half of 2012 and will be further discussed by the Steering Committee and other relevant bodies.

aligned with our vision

of a world free from hunger."

Minister Begum Matia Chowdhury,
 Ministry of Agriculture, Bangladesh

challenges and focus for the next year



The challenges and focus over the next year will be on: (i) conducting overall fundraising, especially for the Public Sector Window, which has consistently been underfunded vis-a-vis the demonstrated demand; (ii) moving on the recommendations that will emerge from the Continuous Improvement Process; (iii) implementation progress of the 18 GAFSP financed projects under the Public Sector Window, including reporting early results; (iv) ensuring attention to all GAFSP thematic areas; (v) improving the coordination between the Public and Private Sector Windows; (vi) increasing visibility and showcasing the Private Sector Window Call for Proposals; and (vii) expanding outreach activities to better tell the GAFSP story.

Advocating for additional funds, especially for the Public Sector Window:

There have been four rounds of allocations thus far for the Public Sector Window (June 2010, November 2010, June 2011, and May 2012). Allocations are made when funds from donors become available, and the GAFSP Steering Committee allocates all available funds at each allocation, reserving only a small amount of funds to cover necessary administrative costs and fees for the Supervising Entities, the Coordination Unit and the Trustee. At each round of allocations, there were several projects that were deemed technically sound and recommended for funding by the TAC, but were nevertheless left unfunded due to the lack of funds. For example, in the most recent allocation in May 2012, there were three countries that were unfunded due to lack of funds, and one additional country whose award was reduced based solely on fund availability. This resulted in US\$ 138.5 million of recommended proposals being left unfunded due to lack of funds. As such, GAFSP recognizes that fundraising is a collective effort by all GAFSP parties involved. Specifically, (i) the Steering Committee will advocate and continue to fundraise with potential donors (and existing donors for recapitalization), taking into consideration the high profile that GAFSP has attained through recent G20 and G8 discussions on food security; (ii) recipient countries will take part in publicizing the benefits of the program and pressing for more funding; (iii) Supervising Entities will promote the work of the GAFSP, and their role within it to their country clients and stakeholders; and (iv) CSOs will use their considerable influence to support investment, or further investment, by the donor countries in which they are active.

Moving on the recommendations from the Continuous Improvement

Process: The Process undertaken by the Meridian Institute is not a formal independent program evaluation, which is more comprehensive and typically would not be undertaken until a program has been under implementation for a few years. Nevertheless, it provides an early look from an external third party based on anonymous interviews and surveys of various stakeholders. The recommendation report from the Meridian Institute is expected to offer practical suggestions and ways to move forward on certain "bottleneck issues" that began to emerge in the first two years. The Steering Committee is committed to the Continuous Improvement Process and looks forward to discussing and acting on the recommendations of the report, adjusting procedures and process as needed to improve the effectiveness of the program.

Continue to monitor the implementation progress of GAFSP financed projects under the Public Sector Window: GAFSP projects are expected to have similar preparation time compared to other projects prepared by the same Supervising Entities, because GAFSP projects are prepared and supervised according to Supervising Entity policy and procedures. However, because the GAFSP grants are awarded to countries with a high level of readiness, and with project proposals that have been vetted by the TAC for technical merit, GAFSP projects have been prepared in a shorter time than other projects. On average it has taken 13.9 months from the grant award to signing of the legal agreement and 20.6 months from award to first disbursement for GAFSP projects. This compares, for example, with 23 months from beginning of preparation to signing of the legal agreement for agriculture and rural development projects supported by the World Bank, with an additional estimated 4 to 6 months for first disbursement. The Steering Committee has tasked the Coordination Unit to

facilitate discussions with the GAFSP Supervising Entities to compare GAFSP preparation times with their own projects' preparation times, and also to propose operational mechanisms that could speed up the preparation time.

Ensuring attention to all GAFSP thematic areas: To date, more than 80 percent of GAFSP financing has gone towards either raising agriculture productivity or linking farmers to markets. The thematic areas of reducing risk and vulnerability and improving non-farm rural livelihoods have received much less funding—these include activities such as managing price and weather risks, strengthening food related social protection schemes, improving nutrition of vulnerable groups, improving the rural investment climate, and promoting non-farm rural entrepreneurship. Given the country-led nature of GAFSP, this is chiefly a manifestation of lower demand or prioritization for these activities by the countries that have applied. However, there may be other reasons such as less capacity in the countries to prepare a project proposal in these areas. Because many future applicant countries look at what kinds of projects have already received funding as they prepare their own GAFSP proposals, the trend of majority funding for agricultural productivity may reinforce itself. Recognizing these issues, the Steering Committee is discussing ways to emphasize, in documents issued with Calls for Proposals or by other means, the breadth of activities that can be financed, while continuing to respect countries' priorities.

Improving the coordination between the Public and Private Sector Windows: Now that the Private Sector Window is fully operational, with the establishment of a dedicated Private Window Secretariat and its first allocation made in March 2012, there is urgency in ensuring improved coordination between the two windows to maximize the impact of GAFSP investments on the ground. It is expected that the Private Sector Window investments support the efforts of the country's sector planning and strategy. Similarly, Public Sector Window investments should not undermine or crowd out private sector activities in the countries that they operate. The coordination issue will be a key piece to be looked into by the Meridian Institute as part of the GAFSP Continuous Improvement Process. Also, donors that contribute to both windows (Canada, the United Kingdom, and the United States) are expected to ensure that coordination is given due consideration through the Steering Committee and the Private Sector Window Donor Committee.

Increasing visibility and showcasing the Private Sector Window Call for Proposals: The Private Sector Window expects to launch its Second Call for Proposals in the second half of 2012. The Private Sector Window Secretariat at the IFC has analyzed the key takeaways from the First Call for Proposals in July–August 2011, and has already been actively pursuing a pre-marketing effort through their contacts, at relevant investment forums, and also through specific efforts targeted at Multilateral Development Banks. The overall goal would be to receive a higher number of quality investment proposals that could be considered for financing.

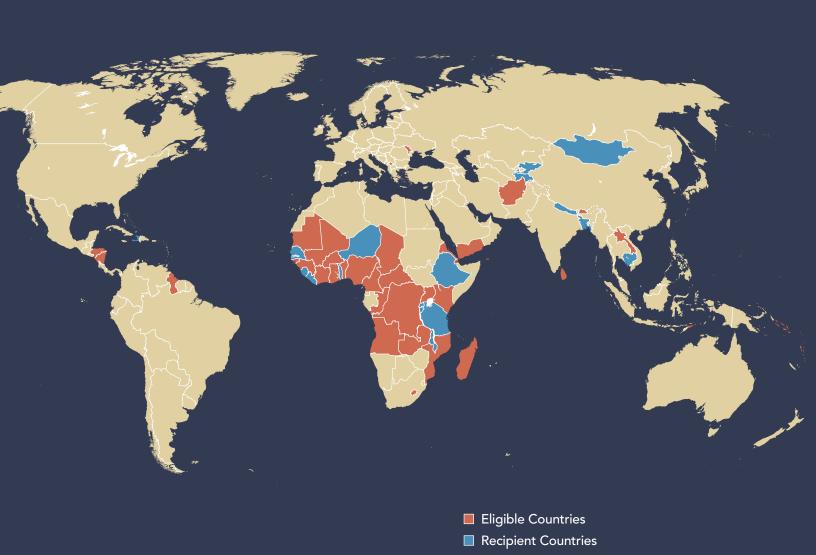
Expanding outreach activities to tell the GAFSP story better: Finally, as early results emerge from GAFSP financed projects, the Coordination Unit will expand its outreach activities to tell the GAFSP story better through various new channels, not just limited to the GAFSP website. The Coordination Unit will be opportunistic in its outreach efforts to provide timely and relevant information to food-security-related events, make use of multimedia products such as photos, videos, beneficiary testimonials, and infograms. The mapping exercise will continue and will be expanded by moving to a new platform that will be easier to view and accommodate multimedia content cross-referenced to geographical locations. During the coming year the Coordination Unit will be actively involved in social media campaigns through outlets such as Facebook, Twitter, and Flickr to showcase GAFSP results more broadly.

"GAFSP is proving instrumental to support tranformative change

in agriculture and food security and to achieve sustainable, lasting solutions to hunger and poverty."

—Minister Luis de Guindos, Ministry of Economy and Competitiveness, Spain

project descriptions and implementation progress



BANGLADESH

Integrated Agricultural Productivity Project (IAPP)

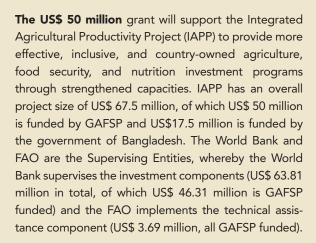
Amount: US\$ 50 million

Supervising Entities: World Bank and FAO

GAFSP Grant Awarded: June 2010

Status: Disbursing since February 2012 (World Bank), disbursing since November 2011 (FAO)

For more information: www.gafspfund.org/gafsp/content/bangladesh



The World Bank is the Supervising Entity for the investment component of the IAPP, which aims to increase agricultural productivity (crop, livestock, and fisheries) in selected agro-ecologically constrained and economically depressed areas (Rangpur, Kurigram, Nilfamari, and Lalmonirhat districts in the North; Barisal, Patuakhali, Barguna, and Jhalokathi districts in the South). The IAPP will strengthen and integrate key aspects impacting agricultural production, including: (i) research-extension-farmer linkages in order to furnish relevant technologies and practices to farmers; (ii) technology promotion with enhanced availability of improved seed to ensure sizable spread effects; (iii) introduction of improved crop and water management practices; and (iv) training and capacity building of farmers' groups along with promotion of key productive assets. Together these constitute a pilot approach to addressing the problem of low productivity growth, which, if successful, can be scaled up nationally. IAPP was launched in November 2011 at a launch workshop in Dhaka. First-year field demonstrations of the participating agencies are well underway and adoption of improved technologies is expected to begin in year two of the project.

FAO is implementing the technical assistance component, which is an integral part of the overall project. It will (i) strengthen capacities to develop and implement the investment components; (ii) have a spillover effect of developing capacities beyond the project; (iii) develop national capacities in mainstreaming technical and institutional innovations into investment programming cycle; and (iv) enhance financial absorptive capacities for food and nutrition security. The expected impact is to have more effective, inclusive, and country-owned agriculture, food, security and nutrition investment programs. FAO established a fully operational fourperson project implementation team through a competitive process and underwent a needs assessment exercise in December 2011. Short-term training events on results-based M&E, project management and business plan development (including the RuralInvest methodology), and good agricultural governance will be delivered during the second half of 2012. Mentoring is being provided by FAO technical experts to the IAPP Investment Components Project Management Unit in the preparation of the Operation Manual and the M&E system. A preliminary mapping exercise took place in April with involvement of partner NGOs in order to identify the capacity development requirements needed to enable farmer organizations to contribute to the investment programs design and implementation. The project has prepared and is ready to release a call for applications for long-term training (PhDs and Masters) to strengthen investment programming and planning capacities.

The IAPP is expected to benefit 295,000 households (175,000 crop farmers, 60,000 livestock farmers and 60,000 fish farmers) with about 20 percent of farmers expected to be women. It is expected to increase the rice production from 2,200 kg/ha to 2,700 kg/ha, increase the yield of fish from 2,700 kg/ha to 3,400 kg/ha, and increase the yield of milk from 1 liter per cow per day to 3 liters per cow per day.



BURUNDI

Agriculture Development in the Mosso and Imbo Regions Project

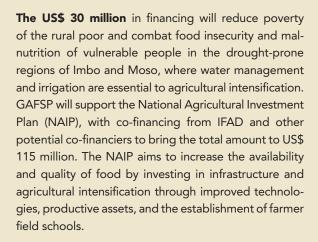
Amount: US\$ 30 million

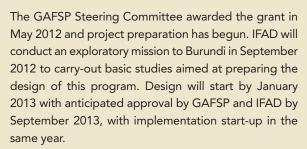
Supervising Entity: International Fund for Agriculture Development

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/burundi





This project is expected to benefit approximately 300,000 households in the two regions of Imbo and Moso (1.5 million people). Because GAFSP represents approximately 30 percent of overall project funding, GAFSP funding could be said to target 90,000 households (450,000 million people).





CAMBODIA

Additional Financing to the Emergency Food Assistance Project (EFAP) and the Climate Resilience Rice Commercialization Sector Development Program (CRRC-SDP)



Amount: US\$39.1 million

Supervising Entity: Asian Development Bank

GAFSP Grant Awarded: June 2011

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/cambodia

Cambodia was awarded US\$ 39.1 million in GAFSP funds in June 2011. The government of Cambodia requested changes to the implementation modality of GAFSP financing specified in the approved proposal. The Steering Committee approved this modification in early December 2011. Under this revised implementation modality the funds will be utilized to implement activities from the original proposal under two interventions, which have similar food security objectives: additional financing to the Emergency Food Assistance Project (EFAP) and support for the newly approved Climate Resilience Rice Commercialization Sector Development Program (CRRC-SDP).

Through these two programs, GAFSP will fund activities to enhance long-term agricultural resilience, as envisioned in the original proposal, including activities for:

- strengthening technology generation and the adoption of higher yielding technologies
- improving the efficiency of agricultural land use
- reducing transfer and transaction costs in farmer to market linkages
- better managing price and weather risk
- improving nutrition of vulnerable groups through home gardening and health care training
- institution building and capacity development of pertinent government agencies

EFAP is an ongoing project with an objective to improve access to sufficient food for food-insecure Cambodians. A total of US\$ 24.5 million of GAFSP funds will be directed as additional financing to this project to address the low productivity of food-insecure farmers through improved access to vital inputs, productive assets, and advisory services. The project will empower them to collective and concerted action for efficient and effective delivery of technical expertise and inputs, enhance their knowledge and capacity to meet income

and nutrition needs, and strengthen institutional coordination to integrate food security into the planning and implementation at the national and sub-national levels. The GAFSP Steering Committee endorsed the project document in July 2012. ADB anticipates the first disbursements in Q4 2012. The additional financing will target 40,000 food insecure households (188,000 people) in 10 target provinces.

The remaining US\$ 14.6 million of the GAFSP grant will finance part of the CRRC-SDP, a sector development program that is currently being designed. Its aims to increased net incomes of stakeholders along the rice value chain and enhance production of quality rice in Cambodia without compromising the natural resource base. ADB will provide an additional US\$ 55 million to finance the investment loan and program loan, while GAFSP grant funding will finance activities that accompany the investment loan. The dedicated advisory services will be made available to some 20 rice milling companies within the investment provinces of Battambang, Kampong Thom and Prey Veng. The investment loan aims to improve irrigation water efficiency, strengthen quality seed supplies, to improve postharvest handling and storage facilities, and to pilot a crop insurance scheme. The program loan aims to improve policy and regulatory framework in rice value chain, agricultural land management, and access to credit. CRRC-SDP, which is being designed as a sector modality development program, is expected to be ready for ADB Board approval in March 2013 with the first disbursement to the country expected in May 2013.

The investment loan is anticipated to impact over 50,000 farm households (235,000 people) of which 54 percent are women. Because GAFSP represents approximately 21 percent of CRRC-SDP funding, GAFSP funding could be said to target 10,500 households (49,350 people).

ETHIOPIA

Agricultural Growth Program (AGP)

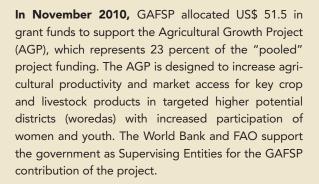
Amount: US\$ 51.5 million

Supervising Entities: World Bank and FAO **GAFSP Grant Awarded:** November 2010

Status: Disbursing since May 2012 (World Bank) and legal agreement signed in June 2012

(awaiting effectiveness) (FAO)

For more information: www.gafspfund.org/gafsp/content/ethiopia



The World Bank supported project focuses on three components: Agricultural Production and Commercialization; Small Scale Rural Infrastructure Development and Management; and Project Management, Monitoring, and Evaluation. GAFSP financing will strengthen Agricultural and Rural Development Partners Linkages Advisory Councils, scale up best practices, and develop markets and agribusiness. The financing will also support the construction, rehabilitation, and/or improvement of small-scale infrastructure that contributes to increased productivity and improved access to markets in AGP woredas. The main target group of the AGP is small- and medium-scale farmers in the selected woredas who crop less than 1ha on average.

FAO is the Supervising Entity for the US\$ 1.5 million technical assistance activities. GAFSP financing will develop public sector capacity for support to farmer-implemented integrated pest management (IPM) and farming-systems-based forage production development programs in support of agriculture and food security, increasing the implementation capacity of key

public and private sector agencies and stakeholders through training and institution building support, thereby enhancing the implementation effectiveness of the AGP. The primary beneficiaries will be individual households and members of farmers associations and cooperatives in the AGP impact area. The project was successfully negotiated between FAO and the Ministry of Agriculture in June 2012 and will become effective in July 2012.

The AGP project is expected to benefit 2 million households (9.8 million people) in the 83 project woredas, of which women-headed households make up 19 percent of the beneficiaries. Since GAFSP represents approximately 23 percent of pooled AGP funding, GAFSP funding could be said to target 460,000 households. The total funding from the government of Ethiopia, beneficiaries, and all donors including those that have un-pooled funds to the AGP is about US\$ 327 million, so that the GAFSP contribution represents about 15 percent of the funding from all sources for the AGP. In total, with support from all funding sources, the AGP will provide 670,000 client days of training to scientists, extension agents, agro-dealers, farmers, and community members. Approximately 185,000 farmers and 18,500 ha are expected to adopt the technology being promoted. The project will construct 208 km of roads, rehabilitate 623 km of roads, and construct 86 rural markets or market centers. Approximately 9,000 ha will have new irrigation and drainage services, and an additional 9,000 ha will have improved or rehabilitated irrigation and drainage services.



THE GAMBIA

Amount: US\$ 28 million

Supervising Entities: African Development Bank and FAO

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/gambia

The GAFSP grant financing will focus on scaling up and expanding proven initiatives and best practices to boost household food security and nutritional levels. GAFSP will target three highly food-insecure regions via an integrated area development program that includes land and water management, horticultural gardens, aquaculture farming, and small ruminant and poultry farming.

Expected results of the GAFSP financed components include: increased agricultural productivity by 25 percent over current levels; increased smallholder incomes, through enhanced post-harvest processing, broadened access to markets and enhanced competitiveness; and

reduced household food insecurity to 8 percent from its current level (11 percent). In addition, GAFSP will promote knowledge management through the implementation of improved nutritional practices among beneficiary households. The project is expected to benefit 30,000 households (100,000 people) with a proportionally targeted number of women and youth, and women-headed households, estimated to be at least 50 percent of project beneficiaries. The beneficiaries will be rice farmers (majority of which are women), and agro-processors and traders (who are mostly youth and women). The project's activities will generate new employment opportunities that will help to address unemployment.

HAITI

Technology Transfer to Small Farmers Project (PTTA) and the Strengthening Agriculture Public Services Project (RESEPAG II)

Amount: US\$ 35 million

Supervising Entities: Inter-American Development Bank and the World Bank

GAFSP Grant Awarded: June 2010

Status: Effective since April 2012 (IDB and World Bank)

For more information: www.gafspfund.org/gafsp/content/haiti

GAFSP approved a US\$ 35 million grant in June 2010 to support the National Agriculture Investment Plan (NAIP), which aims to increase access to improved private agricultural services and inputs for crop production and strengthen the agriculture sector's research, extension services, and training capacity. The GAFSP funding is co-financing two complementary agricultural investment operations — one supported by IDB and another supported by the World Bank.

IDB supports the Small Farmer Agriculture Technology Transfer Project (PTTA), which provides "smart subsidies" in the North and North East Regions where agriculture is diversified and has a high potential for intensification. The project is co-financed by GAFSP (US\$ 25 million) and IDB (US\$ 15 million). GAFSP funds are dedicated exclusively to the support of technology transfers (subsidy mechanism). The IDB funds are dedicated to all components of the project, including the strengthening of the National Seeds Service for seed quality control enhancement. The project was approved by the IDB Board in August 2011, the project execution unit was established in February 2012, and the eligibility conditions to disburse to the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) were met in April 2012. MARNDR selected 10 municipalities in the North and North East Regions to participate in the voucher scheme launch during the second half of



2012: Borgne, Milot, Dondon, Grande Rivière du Nord, Saint Raphaël, Carice, Mont Organisé, Ouanaminthe, Ferrier, and Fort Liberté namely. Each municipality will support two or three technology packages from among the following: coffee production, cocoa production, agroforestry intensifying, rice cropping, sweet potato intensive cropping, or mobile pumps for micro-irrigation.

A GAFSP-financed extensive impact evaluation of the PTTA project will be conducted by DIME. The detailed design of the methodology to be followed for this evaluation was completed between April and June 2012. The first surveys for the establishment of the baseline will start before the end of 2012.

The IDB supported project is expected to reach 30,000 farm households (141,000 people). Since GAFSP represents approximately 62.5 percent of overall PTTA funding, GAFSP funding can be said to target 18,750 households (88,125 people). The PTTA project is expected to increase farmers' median agricultural net income by 25 percent, from a baseline of US\$ 190 to US\$ 237.5 per year. The project is also expected to decrease the malnutrition rate as measured by the proportion of the population in the project regions living below the minimum level of caloric consumption to 22 percent (from 29.2 percent).

The World Bank is the Supervising Entity for the Strengthening Agriculture Public Services II Project (RESEPAG II), which will increase and strengthen rural animal and plant health public services as a well as develop and expand the extension services in priority regions specified in the NAIP. RESEPAG II is co-funded by IDA (US\$ 40 million) and GAFSP (US\$ 10 million). The project has three programmatic components: (i) strengthening the role of MARNDR in providing agricultural support services; (ii) providing support for local

agricultural extension and innovation services; and (iii) providing an agriculture risk and emergency response contingent mechanism. In early February 2012 MARN-DR held a project launch workshop that disseminated the project design and overall implementation strategy among key stakeholders including local public agricultural institutions, producer groups, NGOs and the private sector (agribusinesses). Project effectiveness was achieved in early April and first disbursement was requested at the end of June 2012. RESEPAG II has developed a detailed implementation guide for the Market Support Facility (MSF), which focuses on providing matching grants to farmer groups and agricultural service providers in four departments (North, North- East, South and South-East). The MSF Guide lays out the strategy and instruments, in particular the eligibility criteria (including the promotion of the mainstreaming of environment, gender and nutrition aspects), the process of selecting and prioritizing business proposals; and the level of co-financing for each window of the MSF. Eligible organizations and service providers can apply for a grant to one of four matching-grant "windows" (service/input provision, applied research, institutional strengthening, and post-harvest/marketing) or submit multi-window proposals combining several of these four components.

The RESEPAG II project is expected to benefit provide an additional 62,000 client-days of extension services provided to farmers and community members and allow an additional 50,000 households (at least 20 percent of which will be female headed) to access improved agriculture information, technologies, inputs, material, and services. Since GAFSP represents approximately 20 percent of overall RESEPAG II funding, GAFSP funding can be said to target 10,000 households (47,000 people).

KYRGYZ REPUBLIC

Amount: US\$ 16.5 million
Supervising Entity: World Bank
GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/kyrgyz-republic



GAFSP awarded US\$ 16.5 million to the Kyrgyz Republic to increase agricultural productivity and food security of rural households in selected areas nationwide. The funds will be used to rehabilitate and modernize the irrigation and drainage systems at farm level, to build the capacity of water user associations (WUAs),

and to provide agricultural extension services and key nutrition interventions.

The project is expected to benefit 40,000 households (200,000 people), with particular attention to women, children, and vulnerable groups.

LIBERIA

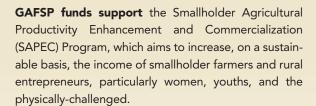
Smallholder Agricultural Productivity Enhancement and Commercialization (SAPEC) Program

Amount: US\$ 46.5 million

Supervising Entity: African Development Bank

GAFSP Grant Awarded: June 2011

Status: Approved by the AfDB in May 2012 (Awaiting effectiveness) **For more information:** www.gafspfund.org/gafsp/content/liberia



The primary beneficiaries will be rural populations in Liberia, specifically the rice, cassava, and vegetable farmers. Other individual beneficiaries are consumers of target commodities, scientists and extension workers, women, and youth through the project's capacity building activities, and all participants in the target value chain. Other key players in agricultural development, including NGOs, will also benefit as partners. Over the course of the project an additional: 10,400 ha of land are expected to adopt improved technologies for rice,



The SAPEC Program is expected to benefit 25,000 households (125,000 people) of which 60 percent will be female. Since GAFSP represents approximately 85 percent of overall SAPEC funding, GAFSP funding could be said to target 21,250 households (106,250 people).



MALAWI

Agricultural Sector Wide Approach (ASWAp)

Amount: US\$ 39.6 million

Supervising Entity: African Development Bank

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/malawi



The ASWAp identifies five broad areas of focus as priority pillars. These pillars are the food security and risk management; commercial agriculture, agro-processing business and market development; sustainable land and water management; technology development and dissemination; and institutional development and capacity building.

The GAFSP grant will fund financing gaps in the ASWAp, particularly in the following sub-focal areas: (i) sustainable agricultural water management and irrigation development; (ii) risk management for food stability at the national level; (iii) commercialization through agro-processing mainly for value addition and import

substitution; (iv) diversification of food production and dietary diversification for improved nutrition at household level with focus on crops, livestock, and fisheries; (v) results and market-oriented research on priority technology needs and provision of technical and regulatory services; and (vi) efficient farmer-led extension and training services, and capacity building of the public and private sectors.

The ASWAp is expected to benefit 13,000 households (79,000 people), consisting of smallholder farmers, traders, and agro-processors. The project is targeting 50 percent women participation, which will be closely monitored.

MONGOLIA

Livestock and Agricultural Marketing Project (LAMP)

Amount: US\$ 12.5 million

Supervising Entities: World Bank and FAO **GAFSP Grant Awarded:** November 2010

Status: Under preparation (World Bank), effective since May 2012 (FAO) **For more information:** www.gafspfund.org/gafsp/content/mongolia



In November 2010, GAFSP allocated US\$ 12.5 million for Mongolia to reduce rural poverty and household food insecurity on a sustainable basis in livestock-based farming systems by: increasing access to domestic and international markets; improving livestock productivity and quality to enhance access to domestic and regional markets; improving household food security and resilience by diversifying on- and off-farm activities and processing; and increasing the capacity and effective decision-making by actors involved in program implementation and management.

The core goal of the project is to develop stronger linkages between herders and markets. The project will

support both market and production issues, focusing not only at the herder level but also up the market chain, to provide a more holistic model for sector development on a limited geographical scale. The approach taken will focus on agribusiness and building services around emerging markets. Technical studies on animal breeding, animal fodder production, animal health, developing value chains, and vegetable production have been conducted to inform project preparation, which is being completed.

For the technical assistance component, FAO focuses on developing the human and organizational capacity to support developments in value chains, animal breeding, health and feeding, and in horticulture. The technical assistance activities will be providing specific technical advice on the design of animal breeding programs, and the implementation of disease control programs in the project areas. The FAO project has begun, with the appointment of the Chief Technical Advisor in early June 2012 and the recruitment of national staff and

office establishment is underway. Preparation of the investment component is ongoing and will be completed by the middle of September 2012.

In total the GAFSP projects are expected to benefit 130,500 people.

NEPAL

Agriculture and Food Security Project

Amount: US\$ 46.5 million

Supervising Entity: World Bank

GAFSP Grant Awarded: June 2011

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/nepal

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In June 2011, GAFSP announced US\$ 46.5 million in financing to enhance selected aspects of food and nutritional security in four pilot areas in the mid- and far- west regions of Nepal. While both food and nutrition security will be increased through agricultural productivity (crops, livestock, and fisheries), the project will also focus on improving nutritional status of adolescent, pregnant and lactating women and children less than two years of age.

GAFSP provides 80 percent of the project funding (US\$ 46.5 million) and the government of Nepal provides the remaining 20 percent. The project will address the interlocking problems of food and nutrition security with coordinated interventions along four programmatic components: (i) technology generation and adaptation to provide the technologies and management practices that will increase yields and production intensities of crops and fish for project farmers; (ii) technology adoption to enable farmers in the project area to sustainably adopt improved agricultural (crops, livestock, and fisheries) production technologies and management practices; (iii) livelihood enhancement to increase cash (earned) income and diversifying the livelihood base of

the landless and marginalized households; and (iv) nutritional status enhancement to improve the nutritional status of women at conception and during pregnancy (in terms of maternal body mass index) and of children aged 6 to 24 months (in terms of underweight, wasting and stunting) by increasing access to micro-nutrient rich and animal protein foods and providing nutritional supplements and behaviour change communication.

Overall, the key expected outcomes from the project are: (i) increase in productivity of targeted crops; (ii) increase in yield of targeted livestock products (milk and meat); (iii) increase in pregnant and lactating mothers with improved intake of micronutrient and protein rich sources of food; and (iv) increase in proportion of children 6-24 months with appropriate complementary food intake at least four times a day. The project is expected to become effective and the first disbursement realized before the end of 2012.

The project is expected to benefit 150,000 small and marginal farmers; 50,000 adolescent girls, young mothers and children; and 25,000 agricultural wage workers, including landless farmers.

NIGER

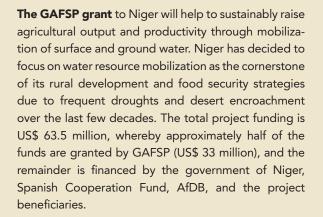
Water Mobilization to Increase Food Security in the Maradi, Tahoua, and Zinder Regions Project (PMERSA-MTZ)

Amount: US\$ 33 million

Supervising Entity: African Development Bank **GAFSP Grant Awarded:** November 2010

Status: Effective since May 2012

For more information: www.gafspfund.org/gafsp/content/niger



The main expected outcomes from the project are: (i) construction and rehabilitation of water-spreading bunds, mini dams and irrigation areas that will result in approximately 17,600 ha of land being newly developed for agricultural use; (ii) land tenure security for the developed sites; and (iii) construction of village wells, rural roads and storage infrastructure.

It is anticipated that this project will increase the coverage ratio of domestic production of food product needs from 52 percent to 62 percent by project completion. The project will also increase the average agricultural output from 200,000 tons of cereals and 83,000 tons of vegetables per year to 215,000 tons and 99,000 tons respectively. It will also work to increase the yield of major crops, including: sorghum from 0.5 tons per ha to 1.5 tons per ha; onion from 19 tons perha to 25 tons per ha, tomato from 9 tons per ha to 12.5 tons per ha, and watermelon from 9 tons per ha to 11.5 tons per ha.

The project area covers the three regions of Maradi, Tahoua, and Zinder, where close to 56 percent of the country's total population live, representing about 8.9 million persons, of which over 213,000 will benefit directly from PMERSA-MTZ. Since GAFSP represents approximately 52 percent of overall funding, GAFSP funding could be said to target 110,760 people.





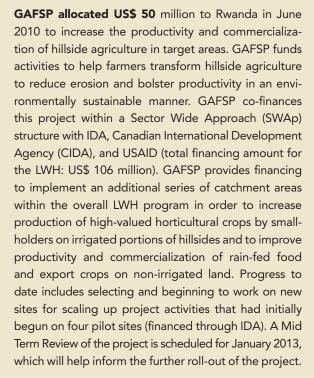
RWANDA

Land Husbandry, Water Harvesting and Hillside Irrigation Project (LWH)

Amount: US\$ 50 million

Supervising Entity: World Bank
GAFSP Grant Awarded: June 2010
Status: Disbursing since September 2011

For more information: www.gafspfund.org/gafsp/content/rwanda



The project has already surpassed several results targets, largely due to greater-than-expected success in project activities for rainfed land husbandry, marketing, and

capacity building. During the first year of implementation, the project increased the proportion of land protected against soil erosion from 15 percent to 40 percent of the total area being treated at the first four sites (end-of-project target is 80 percent). Net sales from agricultural activities on targeted, non-irrigated hillsides is US\$ 1,925 per ha, up from the baseline of US\$ 1,000 per ha. Beneficiaries' share of commercialized products from the target areas rose from a baseline of 35 percent to 68.5 percent, exceeding the FY11 target of 30 percent and even the project-end target of 60 percent. The number of direct project beneficiaries has grown to 6,748 adult members of households of which 54 percent are women, surpassing the year one target of 5,000. The project has so far assisted four participating financial institutions (PFIs) to introduce two new products (inventory credit in two PFIs and a commitment savings plan for input purchases in four PFIs).

The LWH project is expected to benefit 11,000 households (44,000 people). Since GAFSP represents approximately 45 percent of overall LWH funding, GAFSP funding could be said to target 4,950 households (21,285 people).



SENEGAL

Food Security Support Project in the Louga, Matam, and Kaffrine (PASA-Lou/Ma/Kaf)

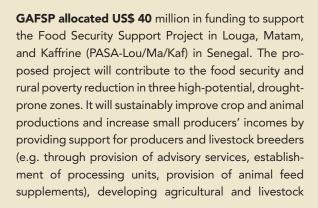
Amount: US\$ 40 million

Supervising Entity: African Development Bank

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/senegal



infrastructure (e.g., construction and rehabilitation of new wells, construction of access roads, establishment of truck farming gardens, modernization of animal and forage storage sheds, livestock vaccination facilities), and improving water management (e.g., small-scale irrigation systems, management of drilled wells, etc).

This project is expected to directly benefit a total of 30,000 farmers and livestock breeders, of which 13,000 will be women and 5,000 youth.

SIERRA LEONE

Smallholder Commercialisation Programme (SCP)

Amount: US\$ 50 million

Supervising Entity: International Fund for Agricultural Development

GAFSP Grant Awarded: June 2010 **Status:** Disbursing since December 2011

For more information: www.gafspfund.org/gafsp/content/sierra-leone

GAFSP awarded US\$ 50 million in June 2010 to Sierra Leone to co-finance support to the Smallholder Commercialisation Programme (SCP), which empowers the rural poor to increase their food security and incomes on a sustainable basis in order to lead to long-term economic development and poverty reduction. The SCP focuses on the intensification, diversification, and commercialization of smallholder agriculture.

Since Sierra Leone's National Sustainable Agriculture Development Plan (NSADP) was launched in September 2009, the government of Sierra Leone has worked in close consultation with key stakeholders, to operationalize the NSADP on a national scale. It prioritized the SCP because of its potential to achieve the greatest

impact in terms of improved food security and wealth generation for the most vulnerable population in the short- and medium-term framework. GAFSP supports three components of the SCP, namely: (i) smallholder agriculture commercialization; (ii) small-scale irrigation development; and (iii) access to financial services.

SCP was approved by the IFAD Executive Board in May 2011 and the grant became effective in July 2011 (with the signature of the financing Agreement and ratification by Parliament). The implementation of the SCP is on track, and as of June 2012, 17 percent of the funds have been disbursed and many project milestones have been reached. The Ministry of Agriculture, Forestry and Food Security (MAFFS), in collaboration with



its contracted partners, has begun providing additional support to farmers by offering services through 360 FFFs and 193 Agricultural Business Centers (ABC)s. four Financial Service Associations (FSA) are currently being constructed and awareness-building materials are being disseminated to help make the FSAs functional before the end of 2012. In addition, work is underway for rehabilitating 500 ha of Inland Valleys Swamps for rice production. Moreover, IFAD and FAO have been

providing technical assistance aimed at strengthening MAFFS in the area of agro-business development and monitoring and evaluation.

By project completion SCP will increase farm incomes by 10 percent, create 1,000 farmer based organizations, create 350 ABCs, and rehabilitate 4,000 ha of Inland Valley Swamp. The SCP is expected to benefit 100,000 households (1 million people).

TAJIKISTAN

Public Employment for Sustainable Agriculture and Water Resources Management II (PAMP II)

Amount: US\$ 27.9 million

Supervising Entity: World Bank

GAFSP Grant Awarded: June 2011

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/tajikistan



GAFSP financing will support the Public Employment for Sustainable Agriculture and Water Management Project (PAMP II), which is a scale-up of the initial Public Employment for Sustainable Agriculture and Water Management Project (PAMP, closed on December 31, 2011) taking into account lessons learned from the original project. In order to ensure sustainability beyond the project lifetime, the sustainability issues will be addressed at farm and community level through the project support for the development of WUAs; and at national and regional level through support for the water sector reform and the introduction of Integrated Water Resource Management.

The project will use the same underlying structure and design as PAMP, and will cover an additional 11 districts in Khatlon and the Region of Republican Subordination (RRS) with high levels of poverty and food insecurity. The project objective is to improve food availability and food access to low-income people in poor rural areas of Khatlon and RRS oblasts. This will be achieved through: (i) income transfers to food insecure people from a public works program to renovate irrigation and drainage infrastructure, (ii) increased crop production as a result of improved irrigation and drainage infrastructure, and (iii) support for the development of improved policies and institutions for water resource management.

The primary beneficiaries will be low-income rural households in 11 selected districts of Khatlon and RRS, WUAs in these districts, and the Ministry of Amelioration and Water Resource Management (MAWRM). The support for policy and institutional development for water resource management will benefit the WUAs and MAWRM. Through the close joint cooperation with the USAID Family Farm Project (FFP), the project will establish approximately 60 new WUAs and provide capacity building support to more than 30 existing WUAs. The project will also assist the MAWRM with the establishment of the policy and institutional framework for the introduction of integrated water resource management.

The public works program will benefit an estimated 17,000 low-income people through the provision of at least 600,000 person-days of temporary work. A rigorous selection procedure will ensure that these beneficiaries are drawn from the most food-insecure families of the rural population—with at least 25 percent being women. The rehabilitation of irrigation and drainage infrastructure will improve access to irrigation for an estimated 125,000 ha, to benefit 15,000 rural households. A 10 percent increase in crop yields is expected on this rehabilitated irrigated land. In total, PAMP II is expected to benefit 32,000 households (221,000 people).

TANZANIA

Amount: US\$ 22.9 million
Supervising Entity: World Bank
GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/tanzania



The GAFSP grant will support the expansion of rice production through investments designed to increase seed availability, strengthen input sales, and rehabilitate irrigation systems. Several new rice varieties will be multiplied and broadly disseminated through a combination of improved foundation seed production and support for farmers producing quality declared seeds. Input vouchers will be used to strengthen seed, fertilizer and agro-chemical sales, while building more sustainable agro-dealer systems. The project will improve or rehabilitate 18,000 ha of smallholder irrigation. This combined package is expected to raise the productivity of rice production and incomes of 45,000 farm households. Increased deliveries to the market will contribute

to stabilizing national rice prices, and reducing the increase in these prices relative to world market levels. A robust monitoring and evaluation system is being organized to track these gains, and identify lessons derived from project implementation.

GAFSP funding will be targeted toward the southern agricultural growth corridor of mainland Tanzania where the government is particularly focused on strengthening joint public-private investment and building competitive supply chains. This funding will also strengthen rice systems in Mtwango, Kibokwa, and Ole on the Zanzibar Islands. The GAFSP project is expected to benefit 45,000 households (225,000 people).



TOGO

Project to Support Agricultural Development in Togo (PADAT) and Project to Support the Agricultural Sector (PASA)

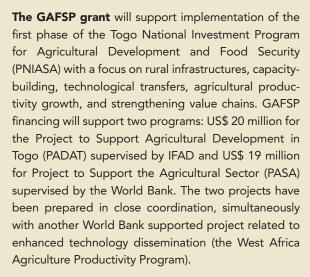
Amount: US\$ 39 million

Supervising Entities: IFAD (PADAT) and World Bank (PASA)

GAFSP Grant Awarded: June 2010

Status: Disbursing since March 2012 (World Bank) and May 2012 (IFAD)

For more information: www.gafspfund.org/gafsp/content/togo



PADAT focuses on improving food security and incomes of smallholders' farms as well as the promotion and the development of the value chains of rice, maize and cassava. The PADAT project was approved by the IFAD's Board in December 2010 and some activities were financed under an advanced funding agreement with the government in 2011. The project was officially launched with a technical workshop by IFAD in collaboration with the Ministry of Agriculture, Livestock and Fisheries (MAEP) January 22–26, 2012. It is expected to reach directly 125,000 households and affect indirectly 475,000 household, including 50,000 vulnerable farmers who will receive input kits and technical support under

the "quick start" operation. Since GAFSP finances 27 percent of total PADAT costs, GAFSP funding could be said to target 33,125 households. Through the PADAT more than 40,000 ha will be developed, including 10,000 ha for rice and 30,000 ha for maize. By the end of the project PADAT anticipates that improved processes and productive inputs will increase maize production from 7,000 tons to 40,000 tons and rice from 1,000 tons to 18,000 tons.

PASA focuses on rehabilitating and reinforcing productive capacities among targeted beneficiaries among selected value chains, and fostering institutional environment that enables the development of the agriculture sector. The project was approved by the World Bank's Board of Directors on April 12, 2011 and was launched by the World Bank and the MAEP at a technical workshop in Lomé, February 1-3, 2012. PASA, which is financed by the government of Togo, IDA, and the Global Food Crisis Response Program, is expected to benefit 75,100 households (60,000 crop farmers, 13,000 animal herders, 1,600 fish producers and 500 fish merchants) by the end of the project through increased crop, livestock, and fisheries outputs: coffee increasing from 13,000 tons to 16,000 tons; cocoa from 6,000 tons to 9,000 tons; small ruminants from 70,000 head to 85,000 head; poultry from 60,000 heads to 75,000 heads; and fish from 600 to 2,500.







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